Section 1: 10-Q (FORM 10-Q)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2016

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 0-24260

AMEDISYS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**11-3131700**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

5959 S. Sherwood Forest Blvd., Baton Rouge, LA 70816
(Address of principal executive offices, including zip code)

(225) 292-2031 or (800) 467-2662
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to

such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date, is as follows: Common stock, $0.001 par value, 33,418,579 shares outstanding as of April 29, 2016.

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SPECIAL CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

When included in this Quarterly Report on Form 10-Q, or in other documents that we file with the Securities and Exchange Commission ("SEC") or in statements made by or on behalf of the Company, words like "believes," "belief," "expects," "plans," "anticipates," "intends," "projects," "estimates," "may," "might," "would," "should" and similar expressions are intended to identify forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a variety of risks and uncertainties that could cause actual results to differ materially from those described therein. These risks and uncertainties include, but are not limited to the following: changes in Medicare and other medical payment levels, our ability to open care centers, acquire additional care centers and integrate and operate these care centers effectively, changes in or our failure to comply with existing federal and state laws or regulations or the inability to comply with new government regulations on a timely basis, competition in the home health industry, changes in the case mix of patients and payment methodologies, changes in estimates and judgments associated with critical accounting policies, our ability to maintain or establish new patient referral sources, our ability to attract and retain qualified personnel, changes in payments and covered services due to the economic downturn and deficit spending by federal and state governments, future cost containment initiatives undertaken by third-party payors, our access to financing due to the volatility and disruption of the capital and credit markets, our ability to meet debt service requirements and comply with covenants in debt agreements, business disruptions due to natural disasters or acts of terrorism, our ability to integrate and manage our information systems, our ability to comply with requirements stipulated in our corporate integrity agreement and changes in law or developments with respect to any litigation relating to the Company, including various other matters, many of which are beyond our control.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on any forward-looking statement as a prediction of future events. We expressly disclaim any obligation or undertaking and we do not intend to release publicly any updates or changes in our expectations concerning the forward-looking statements or any changes in events, conditions or circumstances upon which any forward-looking statement may be based, except as required by law. For a discussion of some of the factors discussed above as well as additional factors, see our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on March 10, 2016, particularly, Part I, Item 1A. Risk Factors therein, which are incorporated herein by reference and Part II, Item 1A. Risk Factors of this Quarterly Report on Form 10-Q. Additional risk factors may also be described in reports that we file from time to time with the SEC.

Available Information

Our company website address is www.amedisys.com. We use our website as a channel of distribution for important company information. Important information, including press releases, analyst presentations and financial information regarding our company, is routinely posted on and accessible on the Investor Relations subpage of our website, which is accessible by clicking on the tab labeled "Investors" on our website home page. We also use our website to expedite public access to time-critical information regarding our company in advance of or in lieu of distributing a press release or a filing with the SEC disclosing the same information. Therefore, investors should look to the Investor Relations subpage of our website for important and time-critical information. Visitors to our website can also register to receive automatic e-mail and other notifications alerting them when new information is made available on the Investor Relations subpage of our website. In addition, we make available on the Investor Relations subpage of our website (under the link "SEC filings") free of charge our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, ownership reports on Forms 3, 4 and 5 and any amendments to those reports as soon as practicable after we electronically file such reports with the SEC. Further, copies of our Certificate of Incorporation and Bylaws, our Code of Ethical Business Conduct, our Corporate Governance Guidelines and the charters for the Audit, Compensation, Quality of Care, Compliance and Ethics and Nominating and Corporate Governance Committees of our Board are also available on the Investor Relations subpage of our website (under the link "Corporate Governance").

Additionally, the public may read and copy any of the materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. Our electronically filed reports can also be obtained on the SEC's internet site at http://www.sec.gov.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

AMEDISYS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share data)

	March 31, 2016 (Unaudited)	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,824	$ 27,502
Patient accounts receivable, net of allowance for doubtful accounts of $16,751 and $16,526	153,860	125,010
Prepaid expenses	9,086	8,110
Other current assets	5,959	14,641
Total current assets	176,729	175,263
Property and equipment, net of accumulated depreciation of $143,277 and $141,793	43,963	42,695
Goodwill	285,124	261,663
Intangible assets, net of accumulated amortization of $25,885 and $25,386	43,548	44,047
Deferred income taxes	121,367	125,245
Other assets, net	34,914	32,802
Total assets	$ 705,645	$ 681,715
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 33,627	$ 25,682
Payroll and employee benefits	82,837	72,546
Accrued expenses	63,903	71,965
Current portion of long-term obligations	20,000	5,000
Total current liabilities	200,367	175,193
Long-term obligations, less current portion	90,565	91,630
Other long-term obligations	3,934	4,456
Total liabilities	294,866	271,279
Commitments and Contingencies - Note 5		
Equity:		
Preferred stock, $0.001 par value, 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock, $0.001 par value, 60,000,000 shares authorized; 34,849,466 and 34,786,966 shares issued; and 33,340,512 and 33,607,282 shares outstanding	35	35
Additional paid-in capital	510,881	504,290
Treasury stock at cost 1,508,954 and 1,179,684 shares of common stock	(39,529)	(26,966)
Accumulated other comprehensive income	15	15
Retained earnings	(61,593)	(67,806)
Total Amedisys, Inc. stockholders' equity	409,809	409,568
Noncontrolling interests	970	868
Total equity	410,779	410,436
Total liabilities and equity	$ 705,645	$ 681,715

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMEDISYS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)
(Unaudited)

	For the Three-Month Periods Ended March 31	
	2016	2015
Net service revenue	$ 348,817	$ 301,572
Cost of service, excluding depreciation and amortization	201,837	170,961
General and administrative expenses:		
Salaries and benefits	76,717	68,555
Non-cash compensation	4,070	2,384
Other	46,717	33,070
Provision for doubtful accounts	3,940	2,976
Depreciation and amortization	4,473	6,537
Asset impairment charge	—	75,193
Operating expenses	337,754	359,676
Operating income (loss)	11,063	(58,104)
Other (expense) income:		
Interest income	22	22
Interest expense	(1,112)	(2,426)
Equity in (loss) earnings from equity method investments	(5)	1,951
Miscellaneous, net	735	2,134
Total other (expense) income, net	(360)	1,681
Income (loss) before income taxes	10,703	(56,423)
Income tax (expense) benefit	(4,388)	21,591
Net income (loss)	6,315	(34,832)
Net income attributable to noncontrolling interests	(102)	(177)
Net income (loss) attributable to Amedisys, Inc.	$ 6,213	$ (35,009)
Basic earnings per common share:		
Net income (loss) attributable to Amedisys, Inc. common stockholders	$ 0.19	$ (1.07)
Weighted average shares outstanding	32,920	32,739
Diluted earnings per common share:		
Net income (loss) attributable to Amedisys, Inc. common stockholders	$ 0.19	$ (1.07)
Weighted average shares outstanding	33,508	32,739

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMEDISYS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	For the Three-Month Periods Ended March 31	
	2016	2015
Cash Flows from Operating Activities:		
Net income (loss)	$ 6,315	$ (34,832)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	4,473	6,537
Provision for doubtful accounts	3,940	2,976
Non-cash compensation	4,070	2,384
401(k) employer match	1,737	1,813
Loss on disposal of property and equipment	360	196
Deferred income taxes	4,038	(22,165)
Equity in loss (earnings) from equity method investments	5	(1,951)
Amortization of deferred debt issuance costs/debt discount	185	276
Return on equity investment	362	645
Asset impairment charge	—	75,193
Changes in operating assets and liabilities, net of impact of acquisitions:		
Patient accounts receivable	(27,689)	(14,302)
Other current assets	7,845	(3,677)
Other assets	(2,775)	(1,014)
Accounts payable	9,098	8,156
Accrued expenses	801	(5,681)
Other long-term obligations	(521)	(71)
Net cash provided by operating activities	12,244	14,483
Cash Flows from Investing Activities:		
Proceeds from sale of deferred compensation plan assets	230	64
Purchases of deferred compensation plan assets	—	(19)
Purchases of property and equipment	(6,702)	(2,113)
Acquisitions of businesses, net of cash acquired	(27,682)	—
Net cash used in investing activities	(34,154)	(2,068)
Cash Flows from Financing Activities:		
Proceeds from issuance of stock upon exercise of stock options and warrants	—	181
Proceeds from issuance of stock to employee stock purchase plan	638	504
Tax benefit from stock options exercised and restricted stock vesting	159	—
Proceeds from revolving line of credit	40,500	40,800
Repayments of revolving line of credit	(25,500)	(55,800)
Principal payments of long-term obligations	(1,250)	(3,000)
Purchase of company stock	(12,315)	—
Net cash provided by (used in) financing activities	2,232	(17,315)
Net decrease in cash and cash equivalents	(19,678)	(4,900)
Cash and cash equivalents at beginning of period	27,502	8,032
Cash and cash equivalents at end of period	$ 7,824	$ 3,132
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 648	$ 1,827
Cash paid for income taxes, net of refunds received	$ (7)	$ (89)

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. NATURE OF OPERATIONS, CONSOLIDATION AND PRESENTATION OF FINANCIAL STATEMENTS

Amedisys, Inc., a Delaware corporation, and its consolidated subsidiaries ("Amedisys," "we," "us," or "our") are a multi-state provider of home health and hospice services with approximately 79% and 81% of our revenue derived from Medicare for the three-month periods ended March 31, 2016 and 2015, respectively. As of March 31, 2016, we owned and operated 329 Medicare-certified home health care centers, 79 Medicare-certified hospice care centers and nine personal-care care centers in 34 states within the United States and the District of Columbia.

Basis of Presentation

In our opinion, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly our financial position, our results of operations and our cash flows in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"). Our results of operations for the interim periods presented are not necessarily indicative of results of our operations for the entire year and have not been audited by our independent auditors.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted from the interim financial information presented. This report should be read in conjunction with our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission ("SEC") on March 10, 2016 (the "Form 10-K"), which includes information and disclosures not included herein.

Use of Estimates

Our accounting and reporting policies conform with U.S. GAAP. In preparing the unaudited condensed consolidated financial statements, we are required to make estimates and assumptions that impact the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates.

Reclassifications and Comparability

Certain reclassifications have been made to prior periods' financial statements in order to conform to the current period's presentation. In compliance with Accounting Standards Update ("ASU") 2015-03, *Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*, we have reclassified 2015 amounts related to unamortized debt issuance costs from other assets, net to long-term obligations, less current portion.

Principles of Consolidation

These unaudited condensed consolidated financial statements include the accounts of Amedisys, Inc., and our wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in our accompanying unaudited condensed consolidated financial statements, and business combinations accounted for as purchases have been included in our unaudited condensed consolidated financial statements from their respective dates of acquisition. In addition to our wholly owned subsidiaries, we also have certain equity investments that are accounted for as set forth below.

Equity Investments

We consolidate investments when the entity is a variable interest entity and we are the primary beneficiary or if we have controlling interests in the entity, which is generally ownership in excess of 50%. Third party equity interests in our consolidated joint ventures are reflected as noncontrolling interests in our condensed consolidated financial statements.

We account for investments in entities in which we have the ability to exercise significant influence under the equity method if we hold 50% or less of the voting stock and the entity is not a variable interest entity in which we are the primary beneficiary. The book value of investments that we accounted for under the equity method of accounting was $25.4 million as of March 31, 2016 and $25.7 million as of December 31, 2015. We account for investments in entities in which we have less than a 20% ownership interest under the cost method of accounting if we do not have the ability to exercise significant influence over the investee.

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

We earn net service revenue through our home health and hospice care centers by providing a variety of services almost exclusively in the homes of our patients. This net service revenue is earned and billed either on an episode of care basis, on a per visit basis or on a daily basis depending upon the payment terms and conditions established with each payor for services provided. We refer to home health revenue earned and billed on a 60-day episode of care as episodic-based revenue.

When we record our service revenue, we record it net of estimated revenue adjustments and contractual adjustments to reflect amounts we estimate to be realizable for services provided, as discussed below. We believe, based on information currently available to us and based on our judgment, that changes to one or more factors that impact the accounting estimates (such as our estimates related to revenue adjustments, contractual adjustments and episodes in progress) we make in determining net service revenue, which changes are likely to occur from period to period, will not materially impact our reported consolidated financial condition, results of operations, cash flows or our future financial results.

Home Health Revenue Recognition

Medicare Revenue

Net service revenue is recorded under the Medicare prospective payment system ("PPS") based on a 60-day episode payment rate that is subject to adjustment based on certain variables including, but not limited to: (a) an outlier payment if our patient's care was unusually costly (capped at 10% of total reimbursement per provider number); (b) a low utilization payment adjustment ("LUPA") if the number of visits was fewer than five; (c) a partial payment if our patient transferred to another provider or we received a patient from another provider before completing the episode; (d) a payment adjustment based upon the level of therapy services required (with various incremental adjustments made for additional visits, with larger payment increases associated with the sixth, fourteenth and twentieth visit thresholds); (e) adjustments to payments if we are unable to perform periodic therapy assessments; (f) the number of episodes of care provided to a patient, regardless of whether the same home health provider provided care for the entire series of episodes; (g) changes in the base episode payments established by the Medicare Program; (h) adjustments to the base episode payments for case mix and geographic wages; and (i) recoveries of overpayments. In addition, we make adjustments to Medicare revenue if we find that we are unable to produce appropriate documentation of a face to face encounter between the patient and physician.

We make adjustments to Medicare revenue to reflect differences between estimated and actual payment amounts, our discovered inability to obtain appropriate billing documentation or authorizations and other reasons unrelated to credit risk. We estimate the impact of such adjustments based on our historical experience, which primarily includes a historical collection rate of over 99% on Medicare claims, and record this estimate during the period in which services are rendered as an estimated revenue adjustment and a corresponding reduction to patient accounts receivable. Therefore, we believe that our reported net service revenue and patient accounts receivable will be the net amounts to be realized from Medicare for services rendered.

In addition to revenue recognized on completed episodes, we also recognize a portion of revenue associated with episodes in progress. Episodes in progress are 60-day episodes of care that begin during the reporting period, but were not completed as of the end of the period. We estimate this revenue on a monthly basis based upon historical trends. The primary factors underlying this estimate are the number of episodes in progress at the end of the reporting period, expected Medicare revenue per episode and our estimate of the average percentage complete based on visits performed. As of March 31, 2016 and 2015, the difference between the cash received from Medicare for a request for anticipated payment ("RAP") on episodes in progress and the associated estimated revenue was immaterial and, therefore, the resulting credits were recorded as a reduction to our outstanding patient accounts receivable in our condensed consolidated balance sheets for such periods.

Non-Medicare Revenue

Episodic-based Revenue. We recognize revenue in a similar manner as we recognize Medicare revenue for episodic-based rates that are paid by other insurance carriers, including Medicare Advantage programs; however, these rates can vary based upon the negotiated terms.

Non-episodic based Revenue. Gross revenue is recorded on an accrual basis based upon the date of service at amounts equal to our established or estimated per-visit rates, as applicable. Contractual adjustments are recorded for the difference between our standard rates and the contracted rates to be realized from patients, third parties and others for services provided and are deducted from gross revenue to determine net service revenue and are also recorded as a reduction to our outstanding patient accounts receivable. In addition, we receive a minimal amount of our net service revenue from patients who are either self-insured or are obligated for an insurance co-payment.

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Hospice Revenue Recognition

Hospice Medicare Revenue

Gross revenue is recorded on an accrual basis based upon the date of service at amounts equal to the estimated payment rates. The estimated payment rates are daily or hourly rates for each of the four levels of care we deliver. The four levels of care are routine care, general inpatient care, continuous home care and respite care. Routine care accounts for 98% of our total net Medicare hospice service revenue for each of the three-month periods ended March 31, 2016, and 2015. We make adjustments to Medicare revenue for an inability to obtain appropriate billing documentation or acceptable authorizations and other reasons unrelated to credit risk. We estimate the impact of these adjustments based on our historical experience, which primarily includes our historical collection rate on Medicare claims, and record it during the period services are rendered as an estimated revenue adjustment and as a reduction to our outstanding patient accounts receivable.

Additionally, as Medicare hospice revenue is subject to an inpatient cap limit and an overall payment cap for each provider number, we monitor these caps and estimate amounts due back to Medicare if we estimate a cap has been exceeded. We record these adjustments as a reduction to revenue and an increase in other accrued liabilities. Beginning for the cap year ending October 31, 2014, providers are required to self-report and pay their estimated cap liability by March 31st of the following year. As of March 31, 2016, we have settled our Medicare hospice reimbursements for all fiscal years through October 31, 2012. As of March 31, 2016 and December 31, 2015, we have recorded $1.3 million and $1.4 million, respectively, for estimated amounts due back to Medicare in other accrued liabilities for the Federal cap years ended October 31, 2013 through October 31, 2016.

Hospice Non-Medicare Revenue

We record gross revenue on an accrual basis based upon the date of service at amounts equal to our established rates or estimated per day rates, as applicable. Contractual adjustments are recorded for the difference between our established rates and the amounts estimated to be realizable from patients, third parties and others for services provided and are deducted from gross revenue to determine our net service revenue and patient accounts receivable.

Patient Accounts Receivable

Our patient accounts receivable are uncollateralized and consist of amounts due from Medicare, Medicaid, other third-party payors and patients. As of March 31, 2016 there is one single payor, other than Medicare, that accounts for more than 10% of our total outstanding patient receivables (approximately 11.6%). Thus we believe there are no other significant concentrations of receivables that would subject us to any significant credit risk in the collection of our patient accounts receivable. We fully reserve for accounts which are aged at 365 days or greater. We write off accounts on a monthly basis once we have exhausted our collection efforts and deem an account to be uncollectible.

We believe the credit risk associated with our Medicare accounts, which represent 60% and 64% of our net patient accounts receivable at March 31, 2016 and December 31, 2015, respectively, is limited due to our historical collection rate of over 99% from Medicare and the fact that Medicare is a U.S. government payor. Accordingly, we do not record an allowance for doubtful accounts for our Medicare patient accounts receivable, which are recorded at their net realizable value after recording estimated revenue adjustments as discussed above. During the three-month periods ended March 31, 2016 and 2015, we recorded $1.7 million and $1.5 million, respectively, in estimated revenue adjustments to Medicare revenue.

We believe there is a certain level of credit risk associated with non-Medicare payors. To provide for our non-Medicare patient accounts receivable that could become uncollectible in the future, we establish an allowance for doubtful accounts to reduce the carrying amount to its estimated net realizable value.

Medicare Home Health

For our home health patients, our pre-billing process includes verifying that we are eligible for payment from Medicare for the services that we provide to our patients. Our Medicare billing begins with a process to ensure that our billings are accurate through the utilization of an electronic Medicare claim review. We submit a RAP for 60% of our estimated payment for the initial episode at the start of care or 50% of the estimated payment for any subsequent episodes of care contiguous with the first episode for a particular patient. The full amount of the episode is billed after the episode has been completed (“final billed”). The RAP received for that particular episode is then deducted from our final payment. If a final bill is not submitted within the greater of 120 days from the start of the episode, or 60 days from the date the RAP was paid, any RAPs received for that episode will be recouped by Medicare from any other claims in process for that particular provider number. The RAP and final claim must then be re-submitted.

Medicare Hospice

For our hospice patients, our pre-billing process includes verifying that we are eligible for payment from Medicare for the services that we provide to our patients. Our Medicare billing begins with a process to ensure that our billings are accurate through the utilization of an electronic Medicare claim review. Once each patient has been confirmed for eligibility, we will bill Medicare on a monthly basis for the services provided to the patient.

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Non-Medicare Home Health and Hospice

For our non-Medicare patients, our pre-billing process primarily begins with verifying a patient's eligibility for services with the applicable payor. Once the patient has been confirmed for eligibility, we will provide services to the patient and bill the applicable payor. Our review and evaluation of non-Medicare accounts receivable includes a detailed review of outstanding balances and special consideration to concentrations of receivables from particular payors or groups of payors with similar characteristics that would subject us to any significant credit risk. We estimate an allowance for doubtful accounts based upon our assessment of historical and expected net collections, business and economic conditions, trends in payment and an evaluation of collectability based upon the date that the service was provided. Based upon our best judgment, we believe the allowance for doubtful accounts adequately provides for accounts that will not be collected due to credit risk.

Property and Equipment

Property and equipment is stated at cost and we depreciate it on a straight-line basis over the estimated useful lives of the assets. Additionally, we have internally developed computer software for our own use. Additions and improvements (including interest costs for construction of qualifying long-lived assets) are capitalized. Maintenance and repair expenses are charged to expense as incurred. The cost of property and equipment sold or disposed of and the related accumulated depreciation are eliminated from the property and related accumulated depreciation accounts, and any gain or loss is credited or charged to other general and administrative expenses.

As of December 31, 2014, we had $75.8 million of internally developed software costs related to the development of AMS3 Home Health and Hospice. Expanded beta testing to additional sites in February of 2015 demonstrated that AMS3 was disruptive to operations. Additional analysis of the system determined that the system was not ready to be fully implemented and would require significant time and investment to redesign. Therefore, during the three-month period ended March 31, 2015, we made the decision to discontinue AMS3 and recorded a non-cash asset impairment charge of $75.2 million to write-off the software costs incurred related to the development of AMS3 Home Health and Hospice.

The following table summarizes the balances related to our property and equipment for the periods indicated (amounts in millions):

	March 31, 2016	December 31, 2015
Building and leasehold improvements	5.1	2.3
Equipment and furniture	89.2	89.6
Computer software	93.0	92.6
	187.3	184.5
Less: accumulated depreciation	(143.3)	(141.8)
	$ 44.0	$ 42.7

Fair Value of Financial Instruments

The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value. The three levels of inputs are as follows:

- Level 1 – Quoted prices in active markets for identical assets and liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Our deferred compensation plan assets are recorded at fair value and are considered a level 2 measurement. For our other financial instruments, including our cash and cash equivalents, patient accounts receivable, accounts payable, payroll and employee benefits and accrued expenses, we estimate the carrying amounts' approximate fair value. As of March 31, 2016, the carrying amount of our long-term debt is subject to a variable rate of interest based on current market rates, and as such, the carrying value approximates fair value.

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Weighted-Average Shares Outstanding

Net income (loss) per share attributable to Amedisys, Inc. common stockholders, calculated on the treasury stock method, is based on the weighted average number of shares outstanding during the period. The following table sets forth, for the periods indicated, shares used in our computation of the weighted-average shares outstanding, which are used to calculate our basic and diluted net income (loss) attributable to Amedisys, Inc. common stockholders (amounts in thousands):

	For the Three-Month Periods Ended March 31	
	2016	2015
Weighted average number of shares outstanding - basic	32,920	32,739
Effect of dilutive securities:		
Stock options	82	—
Non-vested stock and stock units	506	—
Weighted average number of shares outstanding - diluted	33,508	32,739
Anti-dilutive securities	319	875

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue for which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP. In August 2015, the FASB issued 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, to defer the effective date of the standard from January 1, 2017 to January 1, 2018, with an option that permits companies to adopt the standard as early as the original effective date. The new ASU reflects the decisions reached by the FASB at its meeting in July 2015. Early application prior to the original effective date is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 and ASU 2015-14 will have on its consolidated financial statements and related disclosures, its transition method and the effect of the standard on its ongoing financial reporting.

In April 2015, the FASB issued ASU 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. The amendments in this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. ASU 2015-03 is effective for annual and interim periods beginning on or after December 15, 2015. We adopted this ASU during three-month period ended March 31, 2016, and applied the change retrospectively for prior period balances of unamortized debt issuance costs, resulting in a $3.4 million reduction in other assets, net and long-term obligations, less current portion, on our condensed consolidated balance sheet as of December 31, 2015.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require lessees to recognize a lease liability and right-of-use asset for all leases (with the exception of short-term leases) at the commencement date. The ASU is effective for annual and interim periods beginning on or after December 15, 2018. Early adoption is permitted. The standard requires a modified retrospective transition method which requires application of the new guidance for all periods presented. The Company is evaluating the effect that ASU 2016-02 will have on its consolidated financial statements and related disclosures and the effect of the standard on its ongoing financial reporting.

In March 2016, the FASB issued ASU 2016-09, *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, which will simplify the accounting for share-based payment award transactions, including income tax consequences, classification of awards as either equity or liability and classification on the statement of cash flows. The ASU is effective for annual and interim periods beginning after December 15, 2016. Early adoption is permitted. The Company is evaluating the effect that ASU 2016-09 will have on its consolidated financial statements and related disclosures and the effect of the standard on its ongoing financial reporting.

3. ACQUISITIONS

We complete acquisitions from time to time in order to pursue our strategy of increasing our market presence by expanding our service base and enhancing our position in certain geographic areas as a leading provider of home health and hospice services. The purchase price paid for acquisitions is negotiated through arm's length transactions, with consideration based on our analysis of, among other things, comparable acquisitions and expected cash flows. Acquisitions are accounted for as purchases and are included in our consolidated financial statements from their respective acquisition dates. Goodwill generated from acquisitions is recognized for the excess of the purchase price over tangible and identifiable intangible assets because of the expected contributions of the acquisitions to our overall corporate strategy. We typically engage outside appraisal firms to assist in the fair value determination of identifiable intangible assets. Preliminary purchase price allocation is adjusted, as necessary, up to one year after the acquisition closing date if management obtains more information regarding asset valuations and liabilities assumed.

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On March 1, 2016, we acquired Associated Home Care for a total purchase price of $27.7 million, net of cash acquired (subject to certain adjustments), of which $0.5 million was placed in escrow for indemnification purposes and working capital price adjustments. The purchase price was paid with cash on hand on the date of the transaction. Associated Home Care owns and operates 9 care centers servicing the state of Massachusetts. Based on our preliminary purchase price allocation, in connection with the acquisition, we recorded goodwill ($23.5 million) and other assets and liabilities, net ($4.2 million). The purchase price allocation is pending finalization of the report from our outside appraisal firm and the impact on goodwill and other intangibles.

4. LONG-TERM OBLIGATIONS

Long-term debt consisted of the following for the periods indicated (amounts in millions):

	March 31, 2016	December 31, 2015
$100.0 million Term Loan; principal payments plus accrued interest payable quarterly; interest rate at ABR Rate plus applicable percentage or Eurodollar Rate plus the applicable percentage (2.43% at March 31, 2016); due August 28, 2020	$ 98.8	$ 100.0
$200.0 million Revolving Credit Facility; interest only payments; interest rate at ABR Rate plus applicable percentage or Eurodollar Rate plus the applicable percentage (2.44% at March 31, 2016); due August 28, 2020	15.0	—
Deferred debt issuance costs	(3.2)	(3.4)
	110.6	96.6
Current portion of long-term obligations	(20.0)	(5.0)
Total	$ 90.6	$ 91.6

Our weighted average interest rate for our $100.0 million Term Loan, under our Credit Agreement, was 2.4% for the three-month period ended March 31, 2016. Our weighted average interest rate for our $200.0 million Revolving Credit Facility was 2.7% for the three-month period ended March 31, 2016.

As of March 31, 2016, our consolidated leverage ratio was 1.0, our consolidated fixed charge coverage ratio was 3.8 and we are in compliance with our Credit Agreement. In the event we are not in compliance with our debt covenants in the future, we would pursue various alternatives in an attempt to successfully resolve the non-compliance, which might include, among other things, seeking debt covenant waivers or amendments.

As of March 31, 2016, our availability under our $200.0 million Revolving Credit Facility was $160.3 million as we had $24.7 million outstanding letters of credit.

5. COMMITMENTS AND CONTINGENCIES

Legal Proceedings - Ongoing

We are involved in the following legal actions:

Securities Class Action Lawsuits

On June 10, 2010, a putative securities class action complaint was filed in the United States District Court for the Middle District of Louisiana (the “District Court”) against the Company and certain of our current and former senior executives. Additional putative securities class actions were filed in the District Court on July 14, July 16, and July 28, 2010.

On January 18, 2011, the Co-Lead Plaintiffs filed an amended, consolidated class action complaint (the “Securities Complaint”) which supersedes the earlier-filed securities class action complaints. The Securities Complaint alleges that the defendants made false and/or misleading statements and failed to disclose material facts about our business, financial condition, operations and prospects, particularly relating to our policies and practices regarding home therapy visits under the Medicare home health prospective payment system and the related alleged impact on our business, financial condition, operations and prospects. The Securities Complaint seeks a determination that the action may be maintained as a class action on behalf of all persons who purchased the Company’s securities between August 2, 2005 and September 28, 2010 and an unspecified amount of damages.

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All defendants moved to dismiss the Securities Complaint. On June 28, 2012, the District Court granted the defendants' motion to dismiss the Securities Complaint. On July 26, 2012, the Co-Lead Plaintiffs filed a motion for reconsideration, which the District Court denied on April 9, 2013.

On May 3, 2013, the Co-Lead Plaintiffs appealed the dismissal of the Securities Complaint to the United States Court of Appeals for the Fifth Circuit (the "Fifth Circuit"). On October 2, 2014, a three-judge panel of the Fifth Circuit issued a decision reversing the District Court's dismissal of the Securities Complaint. On October 16, 2014, all defendants filed a petition with the Fifth Circuit to review the three-judge panel's decision *en banc*, or as a whole court. On December 29, 2014, the Fifth Circuit denied the defendants' motion for *en banc* review of the Fifth Circuit panel's decision reversing the District Court's dismissal of the Securities Complaint. The case then returned to the District Court for further proceedings. On March 30, 2015, the defendants filed a Petition for Writ of Certiorari (the "Petition") with the United States Supreme Court asking the Supreme Court to consider whether the Fifth Circuit erred in reversing the District Court's dismissal of the Securities Complaint. The Supreme Court denied the Petition on June 29, 2015, which did not affect the ongoing proceedings before the District Court, including the District Court's consideration of a motion filed on April 3, 2015, by the Co-Lead Plaintiffs for leave to amend the Securities Complaint, which motion was granted by the District Court. On December 15, 2015, the defendants filed a motion to dismiss the Co-Lead Plaintiffs' First Amended Consolidated Complaint. All discovery in the case is currently stayed pursuant to federal law. The parties have agreed to explore the possibility of a mediated settlement of this matter, and a mediation is scheduled to occur on June 21, 2016. No assurances can be given about the timing or outcome of this matter.

We are unable to assess the probable outcome or reasonably estimate the potential liability, if any, arising from the securities litigation described above. The Company intends to continue to vigorously defend itself in the securities litigation matter but, if decided adverse to the Company, its impact could be material. No assurances can be given as to the timing or outcome of the securities matter described above or the impact of any of the inquiry or litigation matters on the Company, its consolidated financial condition, results of operations or cash flows, which could be material, individually or in the aggregate.

Wage and Hour Litigation

On September 13, 2012, a putative collective and class action complaint was filed in the United States District Court for the Northern District of Illinois against us in which a former employee alleges wage and hour law violations. The former employee claims she was paid on both a per-visit and an hourly basis, and that such a pay scheme resulted in her misclassification as an exempt employee, thereby denying her overtime. The plaintiff alleges violations of federal and state law and seeks damages under the Federal Fair Labor Standards Act ("FLSA") and the Illinois Minimum Wage Law. Plaintiff seeks class certification of similar employees who were or are employed in Illinois and seeks attorneys' fees, back wages and liquidated damages going back three years under the FLSA and three years under the Illinois statute. On May 28, 2013, the Court granted the Company's motion to stay the case pending resolution of class certification issues and dispositive motions in the earlier-filed Connecticut case referenced below. On December 23, 2015, the parties agreed to explore the possibility of a mediated settlement of the Illinois case, and a mediation occurred on April 18, 2016. The parties agreed to settle the case for $0.8 million, subject to court approval, which we have accrued as of March 31, 2016.

Frontier Litigation

On April 2, 2015, Frontier Home Health and Hospice, L.L.C. ("Frontier") filed a complaint against us in the United States District Court for the District of Connecticut alleging breach of contract, negligent misrepresentation and unfair and deceptive trade practices under Conn. Gen. Stat. §42-110b. Frontier acquired our interest in five home health and four hospice care centers in Wyoming and Idaho in April 2014. The complaint alleges that certain of the hospice patients on service at the time of the acquisition did not meet Medicare eligibility requirements and that we breached certain of the representations and warranties under the purchase agreement and therefore, the businesses were worth less than the purchase price. Under the complaint, Frontier seeks declaratory judgment from the District Court that, under the terms of the purchase agreement with Frontier, we are obligated to determine the amount of the alleged Medicare overpayments and reimburse the government for the same in a timely manner, as well as unspecified compensatory and punitive damages, attorneys' fees and pre- and post-judgment interest.

We are unable to assess the probable outcome arising from the Frontier litigation described above. The Company has engaged an independent auditing firm to perform a clinical audit of the hospice locations in question and intends to defend itself in the Frontier litigation matter. No assurances can be given as to the timing or outcome of the audit, the Frontier litigation matter described above or the impact of any of the audit or litigation matters on the Company, its consolidated financial condition, results of operations or cash flows, which could be material, individually or in the aggregate. In accordance with our corporate integrity agreement ("CIA") with the Office of Inspector General-HHS ("OIG") as discussed below under "Other Investigative Matters – Corporate Integrity Agreement", we have notified the OIG of this matter.

Subpoena Duces Tecum Issued by the U.S. Department of Justice

On May 21, 2015, we received a Subpoena Duces Tecum ("Subpoena") issued by the U.S. Department of Justice. The Subpoena requests the delivery of information regarding 53 identified hospice patients to the United States Attorney's Office for the District of

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Massachusetts. It also requests the delivery of documents relating to our hospice clinical and business operations and related compliance activities. The Subpoena generally covers the period from January 1, 2011, through the present. We are fully cooperating with the U.S. Department of Justice with respect to this investigation. No assurance can be given as to the timing or outcome of this investigation.

Civil Investigative Demand Issued by the U.S. Department of Justice

On November 3, 2015, we received a civil investigative demand ("CID") issued by the U.S. Department of Justice pursuant to the federal False Claims Act relating to claims submitted to Medicare and/or Medicaid for hospice services provided through designated facilities in the Morgantown, West Virginia area. The CID requests the delivery of information to the United States Attorney's Office for the Northern District of West Virginia regarding 66 identified hospice patients, as well as documents relating to our hospice clinical and business operations in the Morgantown area. The CID generally covers the period from January 1, 2009 through August 31, 2015. We are fully cooperating with the U.S. Department of Justice with respect to this investigation. No assurance can be given as to the timing or outcome of this investigation.

In addition to the matters referenced in this note, we are involved in legal actions in the normal course of business, some of which seek monetary damages, including claims for punitive damages. We do not believe that these normal course actions, when finally concluded and determined, will have a material impact on our consolidated financial condition, results of operations or cash flows.

Legal Proceedings – Settled

Wage and Hour Litigation

On July 25, 2012, a putative collective and class action complaint was filed in the United States District Court for the District of Connecticut against us in which three former employees allege wage and hour law violations. The former employees claim that they were not paid overtime for all hours worked over 40 hours in violation of the FLSA, as well as the Pennsylvania Minimum Wage Act. More specifically, they allege they were paid on both a per-visit and an hourly basis, and that such a pay scheme resulted in their misclassification as exempt employees, thereby denying them overtime pay. Moreover, in response to a Company motion arguing that plaintiffs' complaint was deficient in that it was ambiguous and failed to provide fair notice of the claims asserted and plaintiffs' opposition thereto, the Court, on April 8, 2013, held that the complaint adequately raises general allegations that the plaintiffs were not paid overtime for all hours worked in a week over 40, which may include claims for unpaid overtime under other theories of liability, such as alleged off-the-clock work, in addition to plaintiffs' more clearly stated allegations based on misclassification. On behalf of themselves and a class of current and former employees they allege are similarly situated, plaintiffs seek attorneys' fees, back wages and liquidated damages going back three years under the FLSA and three years under the Pennsylvania statute. On October 8, 2013, the Court granted plaintiffs' motion for equitable tolling requesting that the statute of limitations for claims under the FLSA for plaintiffs who opt-in to the lawsuit be tolled from September 24, 2012, the date upon which plaintiffs filed their original motion for conditional certification, until 90 days after any notice of this lawsuit is issued following conditional certification. Following a motion for reconsideration filed by the Company, on December 3, 2013, the Court modified this order, holding that putative class members' FLSA claims are tolled from October 29, 2012 through the date of the Court's order on plaintiffs' motion for conditional certification. On January 13, 2014, the Court granted plaintiffs' July 10, 2013 motion for conditional certification of their FLSA claims and authorized issuance of notice to putative class members to provide them an opportunity to opt in to the action. On April 17, 2014, that notice was mailed to putative class members. The period within which putative class members were permitted to opt into the action expired on July 16, 2014.

On September 10, 2014, the plaintiffs in the Connecticut case filed a motion for leave to amend their complaint to add a new claim under the Kentucky Wage and Hour Act ("KWHA") alleging that the Company did not pay certain home health clinicians working in the Commonwealth of Kentucky all of the overtime wages they were owed, either because the Company misclassified them as exempt from overtime or, while treating them as overtime eligible, did not properly pay them overtime for all hours worked over 40 in a week. On behalf of themselves and a class of current and former employees they allege are similarly situated, plaintiffs seek attorneys' fees, back wages and liquidated damages going back five years before the filing of their original complaint under the KWHA. On October 1, 2014, the Company filed an opposition to the plaintiffs' motion to amend. On October 15, 2014, plaintiffs filed a reply brief in support of their motion. On December 12, 2014, the Court granted the plaintiffs' motion to amend the complaint to add the claims under the KWHA. The Company and the plaintiffs agreed to explore the possibility of a mediated settlement of the Connecticut case, and on February 23, 2015 filed a joint motion to stay proceedings for six months to pursue that process, which was granted by the Court on February 24, 2015.

On June 10, 2015, the Company and plaintiffs participated in a mediation whereby they agreed to fully resolve all of plaintiffs' claims in the lawsuit for $8.0 million, subject to approval by the Court. The settlement agreement will be submitted to the Court for preliminary approval and plaintiffs will request certification of Pennsylvania and Kentucky classes for the sole purpose of this proposed settlement. If the Court grants preliminary approval, notice will be issued to members of the settlement classes to provide them with an opportunity to object to the settlement and, in the case of members of the Pennsylvania and Kentucky classes, opt out of

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the settlement. Following this notice period, the Court will hold a final fairness hearing for the purpose of considering objections and deciding whether to grant final approval of the settlement. As of September 30, 2015, we had an accrual of $8.0 million for this matter. On January 29, 2016, the Court approved the final settlement of this case. The settlement became effective on February 26, 2016. As a result of the final amount calculated by the settlement administrator based on claims timely submitted, we reduced our accrual to $5.3 million as of December 31, 2015; this amount was paid during the three-month period ended March 31, 2016.

Other Investigative Matters

Corporate Integrity Agreement

On April 23, 2014, with no admissions of liability on our part, we entered into a settlement agreement with the U.S. Department of Justice relating to certain of our clinical and business operations. Concurrently with our entry into this agreement, we entered into a corporate integrity agreement ("CIA") with the Office of Inspector General-HHS ("OIG"). The CIA formalizes various aspects of our already existing ethics and compliance programs and contains other requirements designed to help ensure our ongoing compliance with federal health care program requirements. Among other things, the CIA requires us to maintain our existing compliance program, executive compliance committee and compliance committee of the Board of Directors; provide certain compliance training; continue screening new and current employees to ensure they are eligible to participate in federal health care programs; engage an independent review organization to perform certain auditing and reviews and prepare certain reports regarding our compliance with federal health care programs, our billing submissions to federal health care programs and our compliance and risk mitigation programs; and provide certain reports and management certifications to the OIG. Additionally, the CIA specifically requires that we report substantial overpayments that we discover we have received from federal health care programs, as well as probable violations of federal health care laws. Upon breach of the CIA, we could become liable for payment of certain stipulated penalties, or could be excluded from participation in federal health care programs. The corporate integrity agreement has a term of five years.

During the course of our compliance with the CIA we have identified several such reportable events and have notified the OIG as required. The final resolution of these matters is still pending. As of March 31, 2016, we have an accrual in the amount of $4.7 million to cover all repayments of extrapolated overpayments, damages and penalties that we believe could be assessed.

Computer Inventory and Data Security Reporting

On March 1 and March 2, 2015, we provided official notice under federal and state data privacy laws concerning the outcome of an extensive risk management process to locate and verify our large computer inventory. The process identified approximately 142 encrypted computers and laptops for which reports were required under federal and state data privacy laws. The devices at issue were originally assigned to Company clinicians and other team members who left the Company between 2011 and 2014. We reported these devices to the U.S. Department of Health and Human Services, state agencies, and individuals whose information may be involved, as required under applicable law because we could not rule out unauthorized access to patient data on the devices. The Office of Civil Rights, U.S. Department of Health and Human Services ("OCR") is reviewing our compliance with applicable laws, as is typical for any data breach involving more than 500 individuals. We are cooperating with OCR in its review and if any other regulatory reviews are formally commenced, will cooperate with applicable regulatory authorities. In accordance with our CIA, we have notified the OIG of this matter.

Third Party Audits

From time to time, in the ordinary course of business, we are subject to audits under various governmental programs in which third party firms engaged by the Centers for Medicare and Medicaid Services ("CMS") conduct extensive review of claims data to identify potential improper payments under the Medicare program.

In January 2010, our subsidiary that provides home health services in Dayton, Ohio received from a Medicare Program Safeguard Contractor ("PSC") a request for records regarding 137 claims submitted by the subsidiary paid from January 2, 2008 through November 10, 2009 (the "Claim Period") to determine whether the underlying services met pertinent Medicare payment requirements. Based on the PSC's findings for 114 of the claims, which were extrapolated to all claims for home health services provided by the Dayton subsidiary paid during the Claim Period, on March 9, 2011, the Medicare Administrative Contractor ("MAC") for the subsidiary issued a notice of overpayment seeking recovery from our subsidiary of an alleged overpayment of approximately $5.6 million. We dispute these findings, and our Dayton subsidiary has filed appeals through the Original Medicare Standard Appeals Process, in which we are seeking to have those findings overturned. A consolidated administrative law judge ("ALJ") hearing was held in late March 2013. In January 2014, the ALJ found fully in favor of our Dayton subsidiary on 74 appeals and partially in favor of our Dayton subsidiary on eight appeals. Taking into account the ALJ's decision, certain determinations that our Dayton subsidiary decided not to appeal as well as certain determinations made by the MAC, of the 114 claims that were originally extrapolated by the MAC, 76 claims have now been decided in favor of our Dayton subsidiary in full, 10 claims have been decided in favor of our Dayton subsidiary in part, and 28 claims have been decided against or not appealed by our Dayton subsidiary. The ALJ has ordered the MAC to recalculate the extrapolation amount based on the ALJ's decision. The Medicare Appeals Council can decide on its own motion to review the ALJ's decisions. As of March 31, 2016, we have recorded no liability with respect to the pending appeals as we do not believe that an estimate of a reasonably possible loss or range of loss can be made at this time.

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In July 2010, our subsidiary that provides hospice services in Florence, South Carolina received from a Zone Program Integrity Contractor ("ZPIC") a request for records regarding a sample of 30 beneficiaries who received services from the subsidiary during the period of January 1, 2008 through March 31, 2010 (the "Review Period") to determine whether the underlying services met pertinent Medicare payment requirements. We acquired the hospice operations subject to this review on August 1, 2009; the Review Period covers time periods both before and after our ownership of these hospice operations. Based on the ZPIC's findings for 16 beneficiaries, which were extrapolated to all claims for hospice services provided by the Florence subsidiary billed during the Review Period, on June 6, 2011, the MAC for the subsidiary issued a notice of overpayment seeking recovery from our subsidiary of an alleged overpayment. We dispute these findings, and our Florence subsidiary has filed appeals through the Original Medicare Standard Appeals Process, in which we are seeking to have those findings overturned. An ALJ hearing was held in early January 2015. On January 18, 2016 we received a letter dated January 6, 2016 referencing the ALJ hearing decision for the overpayment issued on June 6, 2011. The decision was partially favorable with a new overpayment amount of $3.7 million with a balance owed of $5.6 million including interest based on 9 disputed claims (originally 16). We filed an appeal to the Medicare Appeals Council on the remaining 9 disputed claims and also argued that the statistical method used to select the sample was not valid. No assurances can be given as to the timing or outcome of the Medicare Appeals Council decision. In the event we pay any amount of this alleged overpayment, we are indemnified by the prior owners of the hospice operations for amounts relating to the period prior to August 1, 2009. As of March 31, 2016, we have recorded no liability for this claim as we do not believe that an estimate of a reasonably possible loss or range of loss can be made at this time.

Insurance

We are obligated for certain costs associated with our insurance programs, including employee health, workers' compensation and professional liability. While we maintain various insurance programs to cover these risks, we are self-insured for a substantial portion of our potential claims. We recognize our obligations associated with these costs, up to specified deductible limits in the period in which a claim is incurred, including with respect to both reported claims and claims incurred but not reported. These costs have generally been estimated based on historical data of our claims experience. Such estimates, and the resulting reserves, are reviewed and updated by us on a quarterly basis.

Our health insurance has a retention limit of $0.9 million, our workers' compensation insurance has a retention limit of $0.5 million and our professional liability insurance has a retention limit of $0.3 million.

6. SEGMENT INFORMATION

Our operations involve servicing patients through our three reportable business segments: home health, hospice and personal care. Our home health segment delivers a wide range of services in the homes of individuals who may be recovering from surgery, have a chronic disability or terminal illness or need assistance with completing important personal tasks. Our hospice segment provides palliative care and comfort to terminally ill patients and their families. Our personal care segment, which was established with the acquisition of Associated Home Care during the three-month period ended March 31, 2016, provides patients with assistance with the essential activities of daily living. The "other" column in the following tables consists of costs relating to executive management and administrative support functions, primarily information services, accounting, finance, billing and collections, legal, compliance, risk management, procurement, marketing, clinical administration, training, human resources and administration.

Management evaluates performance and allocates resources based on the operating income of the reportable segments, which includes an allocation of corporate expenses directly attributable to the specific segment and includes revenues and all other costs directly attributable to the specific segment. Segment assets are not reviewed by the company's chief operating decision maker and therefore are not disclosed below (amounts in millions).

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	For the Three-Month Period Ended March 31, 2016				
	Home Health	Hospice	Personal Care	Other	Total
Net service revenue	$ 272.7	$ 73.0	$ 3.1	$ —	$348.8
Cost of service, excluding depreciation and amortization	160.8	38.8	2.2	—	201.8
General and administrative expenses	71.2	16.9	0.4	39.0	127.5
Provision for doubtful accounts	3.2	0.7	—	—	3.9
Depreciation and amortization	1.3	0.3	—	2.9	4.5
Operating expenses	236.5	56.7	2.6	41.9	337.7
Operating income (loss)	$ 36.2	$ 16.3	$ 0.5	$ (41.9)	$ 11.1

	For the Three-Month Period Ended March 31, 2015				
	Home Health	Hospice	Personal Care	Other	Total
Net service revenue	$ 241.4	$ 60.2	$ —	$ —	$301.6
Cost of service, excluding depreciation and amortization	138.7	32.3	—	—	171.0
General and administrative expenses	62.8	14.4	—	26.8	104.0
Provision for doubtful accounts	2.6	0.4	—	—	3.0
Depreciation and amortization	1.5	0.4	—	4.6	6.5
Asset impairment charge	—	—	—	75.2	75.2
Operating expenses	205.6	47.5	—	106.6	359.7
Operating income (loss)	$ 35.8	$ 12.7	$ —	$(106.6)	$ (58.1)

7. STOCK REPURCHASE PROGRAM

On September 9, 2015, we announced that our Board of Directors authorized a stock repurchase program, under which we may repurchase up to $75 million of our outstanding common stock on or before September 6, 2016.

Under the terms of the program, we may repurchase shares from time to time in open market transactions, block purchases or in private transactions in accordance with applicable federal securities laws and other legal requirements. We may enter into Rule 10b5-1 plans to effect some or all of the repurchases. The timing and the amount of the repurchases, if any, will be determined by management based on a number of factors, including but not limited to share price, trading volume and general market conditions, as well as on working capital requirements, general business conditions and other factors.

During the three-month period ended March 31, 2016, pursuant to this program, we repurchased 324,141 shares of our common stock at a weighted average price of $37.96 per share and a total cost of approximately $12.3 million. The repurchased shares are classified as treasury shares.

8. RELATED PARTY TRANSACTION

On November 20, 2015, we engaged KKR Capstone Consulting, LLC (“KKR Capstone”), a consulting company of operational professionals that works exclusively with portfolio companies of Kohlberg Kravis Roberts & Co. Nathaniel M. Zilkha, a member of our Board of Directors, is a member of KKR Management LLC, which is an affiliate of KKR Asset Management LLC (“KAM”), a substantial stockholder of our Company, and an affiliate of Kohlberg Kravis Roberts & Co. KKR Capstone will receive a fee of approximately $1.3 million in connection with providing consulting services to the Company in the ordinary course of business. Mr. Zilkha will not receive any direct compensation or direct financial benefit from the engagement of KKR Capstone. During the three-month period ended March 31, 2016, we incurred costs of approximately $0.6 million related to this related party engagement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information we believe is relevant to an assessment and understanding of our results of operations and financial condition for the three-month period ended March 31, 2016. This discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included herein, and the consolidated financial statements and notes and the related Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission ("SEC") on March 10, 2016 (the "Form 10-K"), which are incorporated herein by this reference.

Unless otherwise provided, "Amedisys," "we," "our," and the "Company" refer to Amedisys, Inc. and our consolidated subsidiaries.

Overview

We are a provider of high-quality, low-cost home health services to the chronic, co-morbid, aging American population, with approximately 79% and 81% of our revenue derived from Medicare for the three-month periods ended March 31, 2016 and 2015, respectively.

Our operations involve servicing patients through our three reportable business segments: home health, hospice and personal care. Our home health segment delivers a wide range of services in the homes of individuals who may be recovering from an illness, injury or surgery. Our hospice segment provides care that is designed to provide comfort and support for those who are facing a terminal illness. Our personal care segment provides patients with assistance with the essential activities of daily living. As of March 31, 2016, we owned and operated 329 Medicare-certified home health care centers, 79 Medicare-certified hospice care centers and nine personal-care care centers in 34 states within the United States, the District of Columbia and Puerto Rico.

Owned and Operated Care Centers

	Home Health	Hospice	Personal Care
At December 31, 2015	329(1)	79	—
Acquisitions/Startups	—	—	9
Closed/Consolidated	—	—	—
At March 31, 2016	329	79	9

(1) Includes 15 home health care centers acquired from Infinity HomeCare on December 31, 2015.

Recent Developments

Governmental Inquiries and Investigations and Other Litigation

See Note 5 – Commitments and Contingencies to our condensed consolidated financial statements for additional information regarding our corporate integrity agreement and for a discussion of and updates regarding class action litigation and other legal proceedings and investigations we are involved in. No assurances can be given as to the timing or outcome of these items.

Results of Operations

Three-Month Period Ended March 31, 2016 Compared to the Three-Month Period Ended March 31, 2015

Consolidated

The following table summarizes our results from continuing operations (amounts in millions):

	For the Three-Month Periods Ended March 31,	
	2016	**2015**
Net service revenue	$ 348.8	$ 301.6
Gross margin, excluding depreciation and amortization	147.0	130.6
% of revenue	*42.1 %*	*43.3 %*
Other operating expenses	135.9	113.5
% of revenue	*39.0 %*	*37.6 %*
Asset impairment charge	—	75.2
Operating income (loss)	11.1	(58.1)
Total other (expense) income, net	(0.4)	1.7
Income tax (expense) benefit	(4.4)	21.6
Effective income tax rate	*41.0 %*	*(38.3 %)*
Net income (loss)	6.3	(34.8)
Net income attributable to noncontrolling interests	(0.1)	(0.2)
Net income (loss) attributable to Amedisys, Inc.	$ 6.2	$ (35.0)

Our operating income, excluding the $75 million non-cash asset impairment charge related to software costs incurred for the development of AMS3 in 2015, decreased $6 million as our hospice operating income increased $4 million and our corporate expenses increased $10 million. Our newly acquired personal care segment contributed less than $1 million in operating income and our home health operating income remained flat. The increase in corporate operating expenses is inclusive of $4 million related to our recent acquisition activity. Results for the three-month period ended March 31, 2016 include the operations of Infinity HomeCare which was acquired on December 31, 2015, and Associated Home Care, which was acquired on March 1, 2016.

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Home Health Division

The following table summarizes our home health segment results from continuing operations:

	For the Three-Month Periods Ended March 31,	
	2016	2015
Financial Information *(in millions)*:		
Medicare	$ 206.8	$ 187.3
Non-Medicare	65.9	54.1
Net service revenue	272.7	241.4
Cost of service	160.8	138.7
Gross margin	111.9	102.7
Other operating expenses	75.7	66.9
Operating income	$ 36.2	$ 35.8
Key Statistical Data:		
Medicare:		
Same Store Volume (1):		
Revenue	4%	6%
Admissions	4%	3%
Recertifications	4%	(1%)
Total (2):		
Admissions	50,418	45,351
Recertifications	26,023	24,359
Completed episodes	72,032	65,311
Visits	1,311,371	1,168,250
Average revenue per completed episode (3)	$ 2,812	$ 2,794
Visits per completed episode (4)	17.4	17.2
Non-Medicare:		
Same Store Volume (1):		
Revenue	22%	20%
Admissions	10%	17%
Recertifications	23%	15%
Total (2):		
Admissions	25,567	23,149
Recertifications	9,826	7,988
Visits	527,969	437,465
Total (2):		
Cost per Visit	$ 87.45	$ 86.33
Visits	1,839,340	1,605,715

(1) Same store Medicare and Non-Medicare revenue, admissions or recertifications growth is the percent increase (decrease) in our Medicare and Non-Medicare revenue, admissions or recertifications for the period as a percent of the Medicare and Non-Medicare revenue, admissions or recertifications of the prior period.

(2) Based on continuing operations for all periods presented, which includes acquisitions.

(3) Average Medicare revenue per completed episode is the average Medicare revenue earned for each Medicare completed episode of care which includes the impact of sequestration.

(4) Medicare visits per completed episode are the home health Medicare visits on completed episodes divided by the home health Medicare episodes completed during the period.

Operating Results

Overall, our operating income remained flat as the result of a $9 million increase in gross margin, offset by a $9 million increase in other operating expenses. These results are inclusive of Infinity HomeCare and approximately $3 million related to the rate cut which became effective January 1, 2016.

Net Service Revenue

Our Medicare revenue increase of approximately $19 million is due to higher volumes. Medicare revenue from care centers acquired from Infinity HomeCare was approximately $13 million. The impact of the rate cut was approximately $3 million.

Our non-Medicare revenue increased $12 million as we have focused on contracted payors with significant concentrations in our markets and those that add incremental margin to our operations as we continue to evaluate our portfolio of managed care contracts.

Cost of Service, Excluding Depreciation and Amortization

Our cost of service increased $22 million primarily as a result of a 15% increase in visits. The increase in cost per visit is primarily due to contractor utilization as the result of higher volumes. Cost of service related to care centers acquired from Infinity HomeCare was approximately $6 million.

Other Operating Expenses

Other operating expenses increased $9 million due to increases in other care center related expenses, primarily salaries and benefits, travel and training and professional fees expense. In addition, our provision for doubtful accounts increased $1 million. Other operating expenses related to care centers acquired from Infinity HomeCare were approximately $5 million.

Hospice Division

The following table summarizes our hospice segment results from continuing operations:

	For the Three-Month Periods Ended March 31,	
	2016	2015
Financial Information *(in millions)*:		
Medicare	$ 68.7	$ 56.5
Non-Medicare	4.3	3.7
Net service revenue	73.0	60.2
Cost of service	38.8	32.3
Gross margin	34.2	27.9
Other operating expenses	17.9	15.2
Operating income	$ 16.3	$ 12.7
Key Statistical Data:		
Same Store Volume (1):		
Medicare revenue	22%	2%
Non-Medicare revenue	16%	13%
Hospice admissions	19%	7%
Average daily census	22%	1%
Total (2):		
Hospice admissions	5,430	4,564
Average daily census	5,507	4,542
Revenue per day, net	$ 145.65	$ 147.26
Cost of service per day	$ 77.36	$ 79.12
Average length of stay	96	91

(1) Same store Medicare and Non-Medicare revenue, Hospice admissions or average daily census growth is the percent increase (decrease) in our Medicare and Non-Medicare revenue, Hospice admissions or average daily census for the period as a percent of the Medicare and Non-Medicare revenue, Hospice admissions or average daily census of the prior period.

(2) Based on continuing operations for all periods presented, which includes acquisitions.

Operating Results

Overall, our operating income increased $4 million on a $6 million increase in gross margin offset by a $3 million increase in other operating expenses.

Net Service Revenue

Our hospice revenue increased $13 million, primarily due to an increase in our average daily census as a result of a 19% increase in hospice admissions. Beginning January 1, 2016, CMS has provided for two separate payment rates for routine care: payments for the first 60 days of care and care beyond 60 days. In addition to the two routine rates, beginning January 1, 2016, Medicare is also reimbursing for a service intensity add-on (“SIA”). The SIA is based on visits made in the last seven days of life by a registered nurse (“RN”) or medical social worker (“MSW”) for patients in a routine level of care.

Cost of Service, Excluding Depreciation and Amortization

Our hospice cost of service increased $7 million as the result of a 21% increase in average daily census offset by a decrease in cost of service per day. The decrease in cost of service per day is primarily the result of a reduction in our pharmacy costs.

Other Operating Expenses

Other operating expenses increased $3 million due to increases in other care center related expenses, primarily salaries and benefits expense.

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Personal Care Division

On March 1, 2016, we acquired Associated Home Care, a private-duty home health care company with nine care centers. Operating income related to our new personal care segment for the three-month period ended March 31, 2016, was less than $1 million on net service revenue of $3 million and cost of service of $2 million; other operating expenses were less than $1 million.

Corporate

The following table summarizes our corporate results from continuing operations:

	For the Three-Month Periods Ended March 31,	
	2016	2015
Financial Information *(in millions):*		
Other operating expenses	$ 39.0	$ 26.8
Depreciation and amortization	2.9	4.6
Total before impairment (1)	$ 41.9	$ 31.4

(1) Total of $106.6 million on a GAAP basis for the three-month period ended March 31, 2015.

Corporate expenses consist of costs relating to our executive management and corporate and administrative support functions, primarily information services, accounting, finance, billing and collections, legal, compliance, risk management, procurement, marketing, clinical administration, training, human resources and administration. Excluding the asset impairment charge in 2015, corporate expenses increased $10 million which is inclusive of $4 million related to our acquisition activity (including acquired corporate support and other acquisition costs), $1 million in Homecare Homebase (“HCHB”) maintenance and hosting costs, $2 million related to HCHB implementation and $2 million related to various legal matters.

Liquidity and Capital Resources

Cash Flows

The following table summarizes our cash flows for the periods indicated (amounts in millions):

	For the Three-Month Periods Ended March 31,	
	2016	2015
Cash provided by operating activities	$ 12.2	$ 14.5
Cash used in investing activities	(34.1)	(2.1)
Cash provided by (used in) financing activities	2.2	(17.3)
Net decrease in cash and cash equivalents	(19.7)	(4.9)
Cash and cash equivalents at beginning of period	27.5	8.0
Cash and cash equivalents at end of period	$ 7.8	$ 3.1

Cash provided by operating activities decreased $2.3 million during 2016 compared to 2015 primarily due to a decrease in our cash collections as compared to 2015. For additional information regarding our operating performance and our days revenue outstanding, see “Results of Operations” and “Outstanding Patient Accounts Receivable”, respectively. The recognition of the asset impairment charge of $75.2 million, which resulted in the net loss for the three-month period ended March 31, 2015, is a non-cash item and therefore had no impact on our cash flow from operations.

Cash used in investing activities increased $32.0 million during 2016 compared to 2015 primarily due to our acquisition activity ($27.7 million) and an increase in capital expenditures ($4.6 million).

Cash provided by financing activities increased $19.5 million during 2016 compared to 2015 primarily due to a decrease in our repayments on our revolving line of credit and principal payments of long-term obligations ($32.1 million), offset by repurchases of company stock pursuant to our stock repurchase program ($12.3 million).

Liquidity

Typically, our principal source of liquidity is the collection of our patient accounts receivable, primarily through the Medicare program. In addition to our collection of patient accounts receivable, from time to time, we can and do obtain additional sources of liquidity by the incurrence of additional indebtedness or through sales of equity.

During the three-month period ended March 31, 2016, we spent $6.7 million in capital expenditures as compared to $2.1 million during the three-month period ended March 31, 2015. Our capital expenditures for 2016 are expected to be approximately $20.0 - $25.0 million.

As of March 31, 2016, we had $7.8 million in cash and cash equivalents and $160.3 million in availability under our $200.0 million Revolving Credit Facility. Based on our operating forecasts and our new debt service requirements, we believe we will have sufficient liquidity to fund our operations, capital requirements and debt service requirements.

Outstanding Patient Accounts Receivable

Our patient accounts receivable, net increased $28.8 million from December 31, 2015 to March 31, 2016. Our cash collection as a percentage of revenue was 94.1% and 98.0% for the three-month periods ended March 31, 2016 and 2015, respectively. Our days revenue outstanding, net at March 31, 2016 was 38.9 days which is an increase of 7.0 days from December 31, 2015. We have experienced a slowdown in collections primarily as the result of our shift from our legacy platforms (AMS2 and AMS3) to HCHB. We anticipate returning to historic days revenue outstanding, net levels once we complete our HCHB implementation and are completely off of our legacy system. Our days revenue outstanding, net at December 31, 2015 does not include the Infinity HomeCare acquisition.

Our patient accounts receivable includes unbilled receivables and are aged based upon our initial service date. We monitor unbilled receivables on a care center by care center basis to ensure that all efforts are made to bill claims within timely filing deadlines. Our unbilled patient accounts receivable can be impacted by acquisition activity, probe edits or regulatory changes which result in additional information or procedures needed prior to billing. The timely filing deadline for Medicare is one year from the date the episode was completed and varies by state for Medicaid-reimbursable services and among insurance companies and other private payors.

Our provision for estimated revenue adjustments (which is deducted from our service revenue to determine net service revenue) and provision for doubtful accounts were as follows for the periods indicated (amounts in millions). We fully reserve for both our Medicare and other patient accounts receivable that are aged over 365 days.

	For the Three-Month Periods Ended March 31,	
	2016	2015
Provision for estimated revenue adjustments	$ 1.7	$ 1.5
Provision for doubtful accounts	3.9	3.0
Total	$ 5.6	$ 4.5
As a percent of revenue	1.6%	1.5%

The following schedules detail our patient accounts receivable, net of estimated revenue adjustments, by payor class, aged based upon initial date of service (amounts in millions, except days revenue outstanding, net):

	0-90	91-180	181-365	Over 365	Total
At March 31, 2016:					
Medicare patient accounts receivable, net (1)	$83.0	$ 8.7	$ —	$ —	$ 91.7
Other patient accounts receivable:					
Medicaid	14.0	5.0	1.2	0.1	20.3
Private	40.2	10.3	5.6	2.5	58.6
Total	$54.2	$ 15.3	$ 6.8	$ 2.6	$ 78.9
Allowance for doubtful accounts (2)					(16.7)
Non-Medicare patient accounts receivable, net					$ 62.2
Total patient accounts receivable, net					$153.9
Days revenue outstanding, net (3)					38.9

	0-90	91-180	181-365	Over 365	Total
At December 31, 2015:					
Medicare patient accounts receivable, net (1)	$73.5	$ 7.0	$ (0.4)	$ —	$ 80.1
Other patient accounts receivable:					
Medicaid	12.4	1.7	0.9	—	15.0
Private	31.2	8.1	5.1	2.0	46.4
Total	$43.6	$ 9.8	$ 6.0	$ 2.0	$ 61.4
Allowance for doubtful accounts (2)					(16.5)
Non-Medicare patient accounts receivable, net					$ 44.9
Total patient accounts receivable, net					$125.0
Days revenue outstanding, net (3)					31.9

(1) The following table summarizes the activity and ending balances in our estimated revenue adjustments (amounts in millions), which is recorded to reduce our Medicare outstanding patient accounts receivable to their estimated net realizable value, as we do not estimate an allowance for doubtful accounts for our Medicare claims.

	For the Three-Month Period Ended March 31, 2016	For the Three-Month Period Ended December 31, 2015
Balance at beginning of period	$ 4.0	$ 3.8
Provision for estimated revenue adjustments	1.7	2.1
Write offs	(2.3)	(1.9)
Balance at end of period	$ 3.4	$ 4.0

Our estimated revenue adjustments were 3.6% and 4.8% of our outstanding Medicare patient accounts receivable at March 31, 2016 and December 31, 2015, respectively.

(2) The following table summarizes the activity and ending balances in our allowance for doubtful accounts (amounts in millions), which is recorded to reduce only our Medicaid and private payer outstanding patient accounts receivable to their estimated net realizable value.

	For the Three-Month Period Ended March 31, 2016	For the Three-Month Period Ended December 31, 2015
Balance at beginning of period	$ 16.5	$ 14.7
Provision for doubtful accounts	3.9	4.7
Write offs	(3.7)	(2.9)
Balance at end of period	$ 16.7	$ 16.5

Our allowance for doubtful accounts was 21.2% and 26.9% of our outstanding Medicaid and private patient accounts receivable at March 31, 2016 and December 31, 2015, respectively.

(3) Our calculation of days revenue outstanding, net is derived by dividing our ending net patient accounts receivable (i.e., net of estimated revenue adjustments and allowance for doubtful accounts) at March 31, 2016 and December 31, 2015 by our average daily net patient revenue for the three-month periods ended March 31, 2016 and December 31, 2015, respectively.

Indebtedness

Our weighted average interest rate for our $100.0 million Term Loan, under our Credit Agreement was 2.4% for the three-month period ended March 31, 2016. Our weighted average interest rate for our $200.0 million Revolving Credit Facility was 2.7% for the three-month period ended March 31, 2016.

As of March 31, 2016, our consolidated leverage ratio was 1.0, our consolidated fixed charge coverage ratio was 3.8 and we are in compliance with our Credit Agreement.

As of March 31, 2016, our availability under our $200.0 million Revolving Credit Facility was $160.3 million as we had $24.7 million outstanding in letters of credit.

See Note 4 to our condensed consolidated financial statements and Note 7 of the financial statements included in our Form 10-K for additional details on our outstanding long-term obligations.

Stock Repurchase Program

During the three-month period ended March 31, 2016, pursuant to our stock repurchase program, we repurchased 324,141 shares of our common stock at a weighted average price of $37.96 per share and a total cost of approximately $12.3 million. The repurchased shares are classified as treasury shares.

Inflation

We do not believe inflation has significantly impacted our results of operations.

Critical Accounting Estimates

See Part II, Item 7 – Critical Accounting Estimates and our consolidated financial statements and related notes in Part II, Item 8 of our 2015 Annual Report on Form 10-K, for accounting policies and related estimates we believe are the most critical to understanding our condensed consolidated financial statements, financial condition and results of operations and which require complex management judgment and assumptions, or involve uncertainties. These critical accounting estimates include revenue recognition; patient accounts receivable; insurance; goodwill and other intangible assets; and income taxes. There have not been any changes to our significant accounting policies or their application since we filed our 2015 Annual Report on Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from fluctuations in interest rates. Our Revolving Credit Facility and Term Loan carry a floating interest rate which is tied to the Eurodollar rate (*i.e.* LIBOR) and the Prime Rate and therefore, our condensed consolidated statements of operations and our condensed consolidated statements of cash flows will be exposed to changes in interest rates. As of March 31, 2016, the total amount of outstanding debt subject to interest rate fluctuations was $113.8 million. A 1.0% interest rate change would cause interest expense to change by approximately $1.1 million annually.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures which are designed to provide reasonable assurance of achieving their objectives and to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 as amended (the "Exchange Act") is recorded, processed, summarized, disclosed and reported within the time periods specified in the SEC's rules and forms. This information is also accumulated and communicated to our management and Board of Directors to allow timely decisions regarding required disclosure.

In connection with the preparation of this Quarterly Report on Form 10-Q, as of March 31, 2016, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act.

Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of March 31, 2016, the end of the period covered by this Quarterly Report.

Changes in Internal Controls

During 2015, we began the implementation of Homecare Homebase ("HCHB") with a total of 199 care centers operating on HCHB as of March 31, 2016. The Company has included the changes to processes, information technology systems and other components of internal controls over financial reporting as part of its ongoing implementation activities as part of its review of internal controls over financial reporting.

There have been no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) that have occurred during the quarter ended March 31, 2016, that have materially impacted, or are reasonably likely to materially impact, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls or our internal controls over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns

can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls' effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives and, based on an evaluation of our controls and procedures, our principal executive officer and our principal financial officer concluded our disclosure controls and procedures were effective at a reasonable assurance level as of March 31, 2016, the end of the period covered by this Quarterly Report.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 5 to the condensed consolidated financial statements for information concerning our legal proceedings.

ITEM 1A. RISK FACTORS

In addition to other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors included in Part I, Item 1A. – Risk Factors of our Annual Report on Form 10-K. These risk factors could materially impact our business, financial condition and/or operating results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely impact our business, financial condition and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides the information with respect to purchases made by us of shares of our common stock during each of the months during the three-month period ended March 31, 2016:

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs
January 1, 2016 to January 31, 2016	—	$ —	324,141	$ 58,113,309
February 1, 2016 to February 29, 2016	—	—	—	—
March 1, 2016 to March 31, 2016	5,129	48.34	—	—
	5,129(1)	$ 48.34	324,141	$ 58,113,309

(1) Includes shares of common stock surrendered to us by certain employees to satisfy tax withholding obligations in connection with the vesting of non-vested stock previously awarded to such employees under our 2008 Omnibus Incentive Compensation Plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

The exhibits marked with the cross symbol (†) are filed and the exhibits marked with a double cross (††) are furnished with this Form 10-Q. Any exhibits marked with the asterisk symbol (*) are management contracts or compensatory plans or arrangements filed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit or Other Reference
†2.1	Equity Purchase Agreement, dated February 5, 2016, by and between the Company, as Purchaser, and Michael Trigilio, as Seller (Certain exhibits and schedules have been omitted pursuant to Item 601 (b)(2) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.)			
3.1	Composite of Certificate of Incorporation of the Company inclusive of all amendments through June 14, 2007	The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007	0-24260	3.1
†3.2	Composite of By-Laws of the Company inclusive of all amendments through April 20, 2016			
4.1	Common Stock Specimen	The Company's Registration Statement on Form S-3 filed August 20, 2007	333-145582	4.8
†31.1	Certification of Paul B. Kusserow, President and Chief Executive Officer (principal executive officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
†31.2	Certification of Ronald A. LaBorde, Vice Chairman and Chief Financial Officer (principal financial officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
††32.1	Certification of Paul B. Kusserow, President and Chief Executive Officer (principal executive officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
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†101.INS	XBRL Instance			
†101.SCH	XBRL Taxonomy Extension Schema Document			
†101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document			
†101.DEF	XBRL Taxonomy Extension Definition Linkbase			
†101.LAB	XBRL Taxonomy Extension Labels Linkbase Document			
†101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document			

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMEDISYS, INC.
(Registrant)

By: /s/ SCOTT G. GINN

Scott G. Ginn,
Principal Accounting Officer and
Duly Authorized Officer

Date: May 4, 2016

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Section 2: EX-2.1 (EX-2.1)

Exhibit 2.1

Execution

EQUITY PURCHASE AGREEMENT

by and among

ASSOCIATED HOME CARE, INC.,

ELDER HOME OPTIONS, LLC,

MICHAEL TRIGILIO,

AMEDISYS PERSONAL CARE, LLC

and

AMEDISYS, INC.

Dated as of February 5, 2016

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Index of Defined Terms

EQUITY PURCHASE AGREEMENT

This EQUITY PURCHASE AGREEMENT (this "Agreement") is made as of February 5, 2016, by and among AMEDISYS PERSONAL CARE, LLC, a Delaware limited liability company ("Buyer"), ASSOCIATED HOME CARE, INC., a Massachusetts corporation (the "Company"), ELDER HOME OPTIONS, LLC, a Massachusetts limited liability company ("EHO" and together with the Company, the "Acquired Companies"), and Michael Trigilio ("Seller"). AMEDISYS, INC., a Delaware corporation ("Amedisys"), also joins in this Agreement solely for purposes of Section 9.14 and Article 11 hereof. Capitalized terms used and not otherwise defined herein have the meanings set forth in Article 10 below.

RECITALS

WHEREAS, Seller owns all of the issued and outstanding shares of capital stock of the Company, which as of the date hereof consists of 1,000 shares of the Company's common stock, no par value (collectively, the "Shares");

WHEREAS, Seller owns all of the outstanding membership interests of EHO, which as of the date hereof consists of 100 Units of the membership interests of EHO evidenced by membership interest certificate number 1, dated March 26, 2007, issued by EHO in the name of Seller (such certificate, the "EHO Membership Interest Certificate" and such membership interests, the "Interests"); and

WHEREAS, prior to the Closing, Seller intends to (i) (x) organize a newly-formed Massachusetts corporation ("AHC Holdco") and cause all of the Shares to be contributed to AHC Holdco in exchange for its issuance to Seller of one hundred percent (100%) of the outstanding capital stock of AHC Holdco, (y) cause AHC Holdco to timely file a validly completed Form 2553 with the Internal Revenue Service to make an election under Section 1362(a) of the Code to be treated as an S corporation for tax purposes, and (z) cause AHC Holdco to timely file a validly completed Form 8869 with the Internal Revenue Service to elect to treat the Company as a qualified subschapter S subsidiary ("QSub"), as set forth in Treasury Regulation Section 1.1361-3; (ii) then cause the Company to be converted into a Massachusetts limited liability company (the "Conversion"), pursuant to which the Shares will be cancelled and replaced by membership interests of which AHC Holdco will be the sole member, and the Company will continue to be treated as a disregarded entity for tax purposes, as provided in Treasury Regulation Section 301.7701-3 (the actions to be taken pursuant to clauses (i) and (ii), the "Reorganization"), and (iii) then cause AHC Holdco to sell and transfer all of the issued and outstanding membership interests of the Company ("Units") to Buyer, for the consideration and subject to the terms and conditions set forth herein;

WHEREAS, the Reorganization will occur under Section 368(a)(1)(F) of the Code;

WHEREAS, subject to the terms and conditions set forth herein, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, all of the Interests; and

WHEREAS, subject to the terms and conditions set forth herein, Seller desires to cause AHC Holdco to sell to Buyer, and Buyer desires to purchase from AHC Holdco, all of the Units; and

NOW, THEREFORE, in consideration of the premises, representations and warranties and mutual covenants contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound, the parties agree as follows:

ARTICLE 1

PURCHASE AND SALE OF UNITS AND INTERESTS

1.01 Purchase and Sale of Units and Interests. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, (x) Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase and acquire from Seller, free and clear of all Liens, all of the Interests, and (y) Seller shall cause AHC Holdco to sell, assign, transfer and convey to Buyer, and Buyer shall purchase and acquire from AHC Holdco, free and clear of all Liens, all of the Units, in exchange for the payment of the Estimated Aggregate Closing Consideration, subject to adjustment in accordance with Section 1.02. At the Closing, Buyer shall make the following payments (in an amount, in the aggregate, equal to the Estimated Aggregate Closing Consideration) by wire transfer of immediately available funds to such bank account(s) as shall be designated in writing by Seller at least two (2) Business Days prior to the Closing:

(i) first, on behalf of the Acquired Companies to the respective holders of Indebtedness, if any, outstanding as of the Closing, the amounts specified in the payoff letters delivered by the Acquired Companies to Buyer pursuant to Section 1.02(b)(ii);

(ii) second, to the Escrow Agent, an amount equal to the sum of the Indemnity Escrow Amount plus the Excluded Matters Indemnity Escrow plus the Working Capital Adjustment Escrow Amount plus the Interim Breach Loss Escrow Amount, if applicable, to be held and disbursed pursuant to the terms of this Agreement and the Escrow Agreement in substantially the form attached hereto as Exhibit A (the "Escrow Agreement");

(iii) third, on behalf of the Acquired Companies, to such payees of the Seller Transaction Expenses as directed in writing by the Acquired Companies pursuant to Section 1.02(b)(i), it being understood and agreed that the Change of Control Payments will be paid to the Acquired Companies, for the account and benefit of the payment recipients, with the Acquired Companies to disburse such Change of Control Payments, less the applicable withholdings, to such recipients; and

(iv) fourth, to the Seller, the balance of the Estimated Aggregate Closing Consideration over the amounts paid pursuant to Sections 1.01(a) – (iii) above.

1.02 Calculation of Closing and Final Consideration.

(a) For purposes of this Agreement, the "Aggregate Closing Consideration" means an amount equal to (i) Twenty-Eight Million Dollars ($28,000,000) (the "Base Purchase Price"), plus (ii) the total amount of Cash on Hand, minus (iii) the outstanding amount of Indebtedness as of the Closing Date, minus (iv) the Seller Transaction Expenses, plus (v) the amount, if any, by which the Net Working Capital exceeds the Net Working Capital Upper Target, and minus (vi) the amount, if any, by which the Net Working Capital is less than the Net Working Capital Lower Target.

(b) At least three (3) Business Days prior to the Closing Date, the Company shall deliver to Buyer its good faith estimate of the Aggregate Closing Consideration as of the opening of business on the Closing Date (the "Estimated Aggregate Closing Consideration") presented in a manner consistent with the sample calculation of the Aggregate Closing Consideration attached hereto as Schedule 1.02(c) and prepared in a manner consistent with the definitions of the terms Cash on Hand, Indebtedness, Seller Transaction Expenses and Net Working Capital (the "Estimated Closing Statement"), which Estimated Closing Statement is to be prepared in consultation with Buyer, together with (i) a spreadsheet (the "Distribution Schedule") setting forth a list of the payees of the Seller Transaction Expenses that will receive payment at the Closing, the amounts payable thereto, and their wire instructions for payment, including the recipients of the Change of Control Payments and the amount each is entitled to be paid, and (ii) a signed payoff letter from each holder of outstanding Indebtedness and a signed payoff letter from Betsey Trigilio relating to the indebtedness owing to her by Seller (which is secured by a pledge by Seller of a portion of the Shares), in form and content reasonably acceptable to Buyer, (A) indicating the amount required to discharge such Indebtedness (or indebtedness in the case of Betsey Trigilio) at the Closing, and the wire instructions for payment, and (B) if such Indebtedness (or indebtedness in the case of Betsey Trigilio) is secured by any Liens, agreeing to release such Liens upon receipt of the payoff amount (including, in the case of Betsey Trigilio, a release of any Liens on the Shares and the Units, as applicable).

(c) As promptly as possible, but in any event within seventy-five (75) days after the Closing Date, Buyer shall deliver to Seller Buyer's calculation of the Aggregate Closing Consideration presented in a manner consistent with the sample calculation of the Aggregate Closing Consideration attached hereto as Schedule 1.02(c) (the "Closing Statement"). Buyer shall prepare the Closing Statement in a manner consistent with the definitions of the terms Cash on Hand, Indebtedness, Seller Transaction Expenses and Net Working Capital, with the related amounts being computed as of the opening of business on the Closing Date. The Closing Statement will disregard (i) any and all effects on the assets or liabilities of the Acquired Companies as a result of the transactions contemplated hereby or of any financing or refinancing arrangements entered into at any time by Buyer or any other transaction entered into by Buyer in connection with the consummation of the transactions contemplated hereby, and (ii) any of the plans, transactions or changes that Buyer intends to initiate or make or cause to be initiated or made after the Closing with respect to the Acquired Companies or their business or assets, or any facts or circumstances that are unique or particular to Buyer or any of its assets or liabilities.

(d) Buyer will, and will cause the Acquired Companies to, (i) provide Seller with reasonable access during normal business hours to the relevant books, records (including work papers, schedules, memoranda and other documents), supporting data, facilities and employees of the Acquired Companies involved in the preparation of the Closing Statement for purposes of their review of the Closing Statement, subject to Seller's obligation to maintain all such information in confidence and use it solely for purposes of its review of the Closing Statement and resolution of any disputes relating thereto, and (ii) reasonably cooperate with Seller and its representatives in connection with such review, including providing on a timely basis all other information necessary or useful in connection with the review of the Closing

Statement as is reasonably requested by Seller. If Seller has any objections to the Closing Statement, Seller will deliver to Buyer a written statement setting forth its objections thereto (an "Objections Statement"), which statement will identify in reasonable detail (to include relevant supporting calculations, schedules, and documentation) each item to which Seller objects, each amount in dispute, and the basis for each such dispute (the "Disputed Items"). If an Objections Statement is not delivered to Buyer within sixty (60) days after delivery of the Closing Statement to Seller, the Closing Statement as prepared by Buyer will be final, binding and non-appealable by the parties, provided that, in the event (x) Seller delivers a written request for papers, documents or other cooperation reasonably available to Buyer and reasonably necessary to assist Seller in its review of the Closing Statement, such request to be made by Seller within forty-five (45) days following its receipt of the Closing Statement, and (y) Buyer does not provide such papers, documents or other cooperation within five (5) Business Days of request therefor, then such sixty (60)-day period will be extended by one day for each additional day required for Buyer to fully respond to such request. Seller and Buyer will negotiate in good faith to resolve the Disputed Items but if they do not reach a final resolution within thirty (30) days after the delivery of the Objections Statement to Buyer, Seller and Buyer will submit any unresolved Disputed Items to Grant Thornton LLP or such other independent national accounting firm mutually selected by Buyer and Seller (the "Accounting Firm"). In the event the parties submit any unresolved Disputed Items to the Accounting Firm, each party will submit a closing statement prepared in a manner consistent with the Closing Statement (which in the case of each party may be a closing statement that, with respect to the unresolved Disputed Items (but not, for the avoidance of doubt, with respect to any other items), is different than the Closing Statement initially submitted to Seller, or the Objections Statement delivered to Buyer, as applicable) together with such supporting documentation as it deems appropriate, to the Accounting Firm within thirty (30) days after the date on which such unresolved Disputed Items were submitted to the Accounting Firm for resolution. Seller and Buyer will use their respective commercially reasonable efforts to cause the Accounting Firm to resolve such dispute as soon as practicable, but in any event within thirty (30) days after the date on which the Accounting Firm receives the closing statements prepared by Seller and Buyer. The Accounting Firm will promptly review only the unresolved Disputed Items and resolve the dispute with respect to each such specific item and amount in accordance with the definitions of Cash on Hand, Indebtedness, Seller Transaction Expenses and Net Working Capital, provided that, the Accounting Firm shall not assign a value to any item greater than the greatest value for such item, or lower than the lowest value of such item, claimed in closing statements provided to such Accounting Firm pursuant hereto. Seller and Buyer will use their respective commercially reasonable efforts to cause the Accounting Firm to notify them in writing of its resolution of such dispute as soon as practicable. The determination of the Accounting Firm will be final, binding and non-appealable by the parties. Each party will bear its own costs and expenses in connection with the resolution of such dispute by the Accounting Firm. The costs and expenses of the Accounting Firm will be paid by the non-prevailing party, as determined by the Accounting Firm, in proportion with the extent to which the prevailing party prevails, and the remainder of such costs and expenses will be paid by the prevailing party.

(e) If the Aggregate Closing Consideration as finally determined pursuant to Section 1.02(d) (the "Final Aggregate Closing Consideration") is greater than the Estimated Aggregate Closing Consideration, then, within five (5) Business Days after the determination of the Final Aggregate Closing Consideration, Buyer will pay to Seller or as Seller shall otherwise direct in writing to Buyer, by wire transfer of immediately available funds, an amount equal to such excess.

(f) If the Final Aggregate Closing Consideration is less than the Estimated Aggregate Closing Consideration, then, within five (5) Business Days after the determination of the Final Aggregate Closing Consideration, Seller will pay to Buyer, by wire transfer of immediately available funds, an amount equal to such shortfall. Any payment required by Seller pursuant to this Section 1.02(f) shall come first, from the Working Capital Escrow Fund, for an amount up to the Working Capital Adjustment Escrow Amount (such amount to be paid pursuant to joint written instructions provided by Buyer and Seller to the Escrow Agent), and second, from Seller. To the extent any amount distributed to Buyer pursuant to this Section 1.02(f) is less than the Working Capital Adjustment Escrow Amount, Buyer and Seller promptly shall jointly instruct the Escrow Agent in writing to distribute an amount equal to the difference thereof to Seller. If Buyer is required to make a payment to Seller under Section 1.02(e) or if the Final Aggregate Closing Consideration is equal to the Estimated Aggregate Closing Consideration, as contemplated by Section 1.02(g), Buyer and Seller promptly shall jointly instruct the Escrow Agent in writing to distribute the full amount of the Working Capital Adjustment Escrow Amount to Seller.

(g) If the Final Aggregate Closing Consideration is equal to the Estimated Aggregate Closing Consideration, then, no payment will be due as a result of the determination of the Final Aggregate Closing Consideration pursuant to Section 1.02(d).

(h) All payments required pursuant to Sections 1.02(e) and 1.02(f) will be deemed to be adjustments for Tax purposes to the aggregate purchase price paid by Buyer for the Units purchased by it pursuant to this Agreement.

1.03 Contingent Payments.

(a) Contingent Payments. As additional consideration for his sale of the Interests, and his causing AHC Holdco to sell the Units, to Buyer, Seller shall be eligible to receive payment (each, a "Contingent Payment") of an additional aggregate amount (prior to withholdings required by Law and to be reported as compensation to Seller) of up to Ten Million Seventy Thousand Dollars ($10,070,000) during the five (5) Measurement Periods following the Closing, as follows:

(i) In the event the EBITDA of the Company during the First Measurement Period exceeds the First Measurement Period Minimum EBITDA Threshold, Seller shall be entitled to receive a Contingent Payment in an amount equal to the product of (x) the amount by which the EBITDA of the Company during the First Measurement Period exceeds the First Measurement Period Minimum EBITDA Threshold multiplied by (y) 3.45; provided, however, in no event shall such Contingent Payment exceed Two Million Five Hundred Ninety Thousand Dollars ($2,590,000); and

(ii) In the event the EBITDA of the Company during the Second Measurement Period exceeds the Second Measurement Period Minimum EBITDA Threshold, Seller shall be entitled to receive a Contingent Payment in an amount equal to the product of (x) the amount by which the EBITDA of the Company during the Second Measurement Period exceeds the Second Measurement Period Minimum EBITDA Threshold multiplied by (y) 3.54; provided, however, in no event shall such Contingent Payment exceed Two Million Three Hundred Thousand Dollars ($2,300,000); and

(iii) In the event the EBITDA of the Company during the Third Measurement Period exceeds the Third Measurement Period Minimum EBITDA Threshold, Seller shall be entitled to receive a Contingent Payment in an amount equal to the product of (x) the amount by which the EBITDA of the Company during the Third Measurement Period exceeds the Third Measurement Period Minimum EBITDA Threshold multiplied by (y) 3.53; provided, however, in no event shall such Contingent Payment exceed Two Million Ten Thousand Dollars ($2,010,000); and

(iv) In the event the EBITDA of the Company during the Fourth Measurement Period exceeds the Fourth Measurement Period Minimum EBITDA Threshold, Seller shall be entitled to receive a Contingent Payment in an amount equal to the product of (x) the amount by which the EBITDA of the Company during the Fourth Measurement Period exceeds the Fourth Measurement Period Minimum EBITDA Threshold multiplied by (y) 2.79; provided, however, in no event shall such Contingent Payment exceed One Million Seven Hundred Thirty Thousand Dollars ($1,730,000); and

(v) In the event the EBITDA of the Company during the Fifth Measurement Period exceeds the Fifth Measurement Period Minimum EBITDA Threshold, Seller shall be entitled to receive a Contingent Payment in an amount equal to the product of (x) the amount by which the EBITDA of the Company during the Fifth Measurement Period exceeds the Fifth Measurement Period Minimum EBITDA Threshold multiplied by (y) 2.12; provided, however, in no event shall such Contingent Payment exceed One Million Four Hundred Forty Thousand Dollars ($1,440,000).

A Contingent Payment, if due under this Section 1.03, shall be paid by Buyer to Seller within five (5) Business Days of the final determination of the amount of such Contingent Payment under Section 1.03(b), by wire transfer of immediately available funds to such bank account(s) as shall be designated in writing by Seller. Notwithstanding the foregoing, upon the occurrence of a Forfeiture Event, Buyer's obligation to make Contingent Payments to Seller shall cease and any Contingent Payment with respect to the Measurement Period during which such Forfeiture Event occurs and any Contingent Payments with respect to subsequent Measurement Periods shall be forfeited; provided, however, that Buyer shall remain obligated to pay Seller any

Contingent Payment earned but unpaid with respect to any Measurement Period preceding the Measurement Period during which such Forfeiture Event occurs; and provided, further, that if such Forfeiture Event occurs as a result of Seller's death or Disability during a Measurement Period, Buyer shall remain obligated to pay to Seller the pro rata portion of any Contingent Payment payable with respect to the portion of such Measurement Period preceding such Forfeiture Event. For example, in the event of the Seller's death or Disability on the 181st day of a Measurement Period and it is determined following the end of such Measurement Period that a Contingent Payment is owing by Buyer hereunder, Buyer shall remain obligated to pay to Seller under this Section 1.03 an amount equal to the product of (x) the amount of the Contingent Payment, if any, due by Buyer under this Section 1.03 for such Measurement Period as though the Forfeiture Event did not occur, times (y) a fraction, the numerator of which is 180 (being the number of days in such Measurement Period preceding the date of Seller's death or Disability), and the denominator of which is either 365 or 366, as applicable (being the total number of days in such Measurement Period). For purposes hereof, a "Forfeiture Event" means the termination of Seller's employment with Buyer or its Affiliates for any or no reason other than a termination by Buyer or its Affiliates of Seller's employment without Cause or a termination by Seller for Good Reason.

(b) Computation and Review; Payment. Within seventy-five (75) calendar days following the end of each Measurement Period for which Seller may be eligible to receive a Contingent Payment, Buyer shall deliver to Seller a written notice (each, an "EBITDA Notice") that either (x) states the maximum Contingent Payment for such Measurement Period is due or (y) sets forth: (i) its computation, in reasonable detail, of the EBITDA of the Company for such Measurement Period (to include all relevant supporting calculations and schedules), and (ii) Buyer's calculation of the Contingent Payment, if any, to be paid to Seller in respect of such Measurement Period. Not later than forty-five (45) calendar days after receiving an EBITDA Notice, Seller shall notify Buyer in writing as to whether Seller has any objection to Buyer's determination of EBITDA of the Company for the applicable Measurement Period and, if applicable, the amount of the Contingent Payment due in respect of such Measurement Period (each, an "Objection Notice"). Each Objection Notice shall provide a reasonably detailed explanation of Seller's disagreement with Buyer's calculations, including each item in dispute, each amount and the basis of each such disagreement (to include all relevant supporting calculations and schedules). If no such Objection Notice is given during such forty-five (45)-day period, then the EBITDA of the Company for such Measurement Period and, if applicable, the amount of the Contingent Payment for such Measurement Period, shall be deemed to be agreed upon, and such agreement shall be final and binding upon the parties, provided that, in the event (A) Seller delivers a written request for papers, documents or other cooperation reasonably available to Buyer and reasonably necessary to assist Seller in its review of the related EBITDA Notice, such request to be made by Seller within thirty (30) days following its receipt of the related EBITDA Notice, and (B) Buyer does not provide such papers, documents or other cooperation within five (5) Business Days of request therefor, such forty-five (45)-day period will be extended by one day for each additional day required for Buyer to fully respond to such request. In connection with verifying the accuracy of Buyer's calculation of EBITDA of the Company and, if applicable, any Contingent Payment for a Measurement Period, or Buyer's determination that no Contingent Payment is due for a Measurement Period, Buyer shall provide Seller with reasonable access during normal business hours to such of its relevant employees, agents and representatives and to such of its relevant books and records relating to Buyer's

calculation of the EBITDA of the Company as is reasonably requested in writing by Seller. If Seller timely delivers an Objection Notice in compliance with this Section 1.03(b), and Seller and Buyer are unable to resolve any disagreements within fifteen (15) calendar days of Seller's delivery of such Objection Notice, then unless otherwise agreed by the parties, the dispute shall be submitted to the Accounting Firm for determination of the amount of such disputed items only, which determination shall be final and binding on the parties; provided that the amount(s) so determined shall not be outside the range between the amounts determined by Buyer (as set forth in the related EBITDA Notice) and Seller (as set forth in the related Objection Notice). The costs and expenses of the Accounting Firm will be paid by the non-prevailing party, as determined by the Accounting Firm, in proportion with the extent to which the prevailing party prevails, and the remainder of such costs and expenses will be paid by the prevailing party. Once the EBITDA of the Company and, if applicable, the amount of a Contingent Payment, if any, for a Measurement Period has been finally determined in accordance with this Section 1.03(b), Seller shall be precluded from asserting any claim with respect to either of them for such Measurement Period, absent manifest error.

(c) Definitions. For the purposes of Section 1.03, the following definitions shall apply:

(i) "Cause", as it applies to the determination by Buyer or its Affiliates (as applicable, the "Employer") to terminate the employment of Seller, shall mean any one or more of the following: (a) a default or breach by Seller of any of the provisions of the Employment Documents; (b) actions by Seller constituting fraud, abuse, dishonesty, embezzlement, willful destruction or theft of Employer property, or breach of the duty of loyalty owed by Seller to the Employer; (c) violation by Seller of any applicable Laws, rules or regulations in connection with the performance of his employment duties (including, without limitation, all Medicare, Medicaid and other health care laws, rules and regulations pertaining to the business of the Employer); (d) Seller's furnishing materially false, inaccurate, misleading or incomplete information to the Employer; (e) Seller's actions constituting a material breach of the Employer's Code of Ethical Business Conduct, the Employer handbook or other Employer policy; (f) Seller's failure to follow reasonable and lawful directives of Seller's supervisor, or any of the Employer's senior executive officers, which are consistent with Seller's job responsibilities and performance; or (g) Seller's failure to satisfy the requirements of Seller's job, regardless whether or not such failure is willful, including the failure to satisfy the objectives of any action plan or performance improvement plan that Seller may be under which are consistent with Seller's job responsibilities; provided, however, in the case of clauses (a), (e), (f) or (g) hereof only, in the event the related default, breach, action or failure is curable, Employer shall be required to provide Seller with written notice of such default, breach, action or failure within ninety (90) days after Employer becomes aware thereof and, in the event Seller both (x) promptly undertakes action to cure such default, breach, action or failure and thereafter diligently continues such action, and (y) cures such default, breach, action or failure within twenty (20) days of his receipt of written notice thereof from Employer, Cause shall not be deemed to have occurred with respect to such default, breach, action or failure. For the avoidance of doubt, in a circumstance where the related default, breach, action or failure of clauses (a), (e), (f) or (g) hereof is not curable, the foregoing notice and cure rights in favor of Seller shall not be applicable.

(ii) "EBITDA of the Company" shall mean, for the applicable Measurement Period, the net income before interest expense, tax expense, depreciation expense and amortization expense of the Acquired Companies and their Subsidiaries, on a combined basis. The EBITDA of the Company shall be computed in accordance with GAAP, subject to the adjustments noted herein below. The EBITDA of the Company shall exclude (i) any extraordinary or nonrecurring items, (ii) any rental payments payable by the Acquired Companies to Seller or its Affiliate, as applicable, under the Lease Agreements for the Affiliated Real Property, (iii) transaction costs and expenses associated with any acquisitions by Buyer or an Affiliate thereof (including the Acquired Companies), (iv) any increases in the management fees, corporate overhead allocations and intercompany charges of the Acquired Companies for the applicable Measurement Period resulting from the Acquired Companies' affiliation with Buyer and its other Affiliates, in excess of the related fees, allocations and charges of the Acquired Companies during the period from September 1, 2015 through the Closing (the "Annualized Period"), determined on an annualized basis, and (v) any reductions in the management fees, corporate overhead allocations and intercompany charges of the Acquired Companies for the applicable Measurement Period attributable to synergies resulting from the Acquired Companies' affiliation with Buyer and its other Affiliates, below the related fees, allocations and charges of the Acquired Companies during the Annualized Period, determined on an annualized basis. If Buyer or any of its Affiliates, including either Acquired Company, acquires (whether by acquisition of assets, stock, merger consolidation or otherwise) any additional business outside Massachusetts, the EBITDA of such acquired business will not be included in the EBITDA of the Company. If Buyer or any of its Affiliates, including either Acquired Company, acquires (whether by acquisition of assets, stock, merger consolidation or otherwise) any additional business within Massachusetts, the EBITDA of such acquired business shall be calculated in accordance with the provisions of this Section 1.03(c)(ii), as applicable, and shall be included in the calculation of the EBITDA of the Company to the extent such EBITDA exceeds the Base EBITDA of such acquired business and is generated from the operations of the acquired business within Massachusetts. For purposes hereof, "Base EBITDA" shall mean the EBITDA of the acquired business generated from the operations of the acquired business in Massachusetts as of the date of acquisition of such business by Buyer or an Affiliate thereof calculated in accordance with GAAP; provided, however, in no event shall the Base EBITDA be less than zero dollars ($0.00). Within sixty (60) days after the closing of any such acquisition, Buyer shall deliver to Seller a written notice that sets forth its computation, in reasonable detail, of the Base EBITDA of such acquired business. The dispute mechanisms set forth in Section 1.03(b) shall apply to the determination of the Base EBITDA, *mutatis mutandis*. Buyer and Seller currently estimate that the management fees, corporate overhead allocations and

intercompany charges of the Acquired Companies during the Annualized Period is approximately $3,000,000 on an annualized basis. Following the Closing, Buyer and Seller agree to work together in good faith to review the financial information, corporate overhead allocations, and intercompany charges of the Acquired Companies during the Annualized Period to seek to reach agreement on the total annualized costs to the Acquired Companies for such period for purposes of clauses (iv) and (v) above.

(iii) "Fifth Measurement Period" shall mean the period beginning on the day following the fourth anniversary of the Closing Date and ending on the fifth anniversary of the Closing Date.

(iv) "Fifth Measurement Period Minimum EBITDA Threshold" shall mean Six Million Eight Hundred Forty Thousand Dollars ($6,840,000).

(v) "First Measurement Period" shall mean the period beginning on the day following the Closing Date and ending on the first anniversary of the Closing Date.

(vi) "First Measurement Period Minimum EBITDA Threshold" shall mean Four Million Two Hundred Fifty Thousand Dollars ($4,250,000).

(vii) "Fourth Measurement Period" shall mean the period beginning on the day following the third anniversary of the Closing Date and ending on the fourth anniversary of the Closing Date.

(viii) "Fourth Measurement Period Minimum EBITDA Threshold" shall mean Six Million Two Hundred Twenty Thousand Dollars ($6,220,000).

(ix) "Good Reason", as it applies to the determination by Seller to terminate his employment with the Employer at his initiative, shall mean the occurrence of any of the following events without Seller's written consent: (i) Seller suffers a material diminution in authority, responsibilities, or duties; (ii) Seller suffers a material reduction in base salary other than in connection with a proportionate reduction in the base salaries of all similarly situated senior officer-level employees of Amedisys; (iii) a relocation of Seller's principal place of employment outside a thirty (30)-mile radius of North Andover, Massachusetts; or (iv) any action or inaction occurs which constitutes a material breach by Employer of its obligations under the Employment Documents. Good Reason shall not be deemed to have occurred unless (x) Seller provides the Employer with notice of one of the conditions described above within ninety (90) days after Seller becomes aware of the existence of such condition, (y) the Employer is provided at least thirty (30) days to cure the condition and fails to cure same within such thirty (30)-day period and (z) the Seller terminates employment within at least one hundred fifty (150) days of his failure to cure. The requirement that Seller travel to Nashville, Tennessee and Baton Rouge, Louisiana on a regular basis as reasonably required by Employer, and travel for the Company's business, shall not constitute Good Reason.

(x) "Measurement Period" shall mean each of the First Measurement Period, the Second Measurement Period, the Third Measurement Period, the Fourth Measurement Period and the Fifth Measurement Period.

(xi) "Second Measurement Period" shall mean the period beginning on the day following the first anniversary of the Closing Date and ending on the second anniversary of the Closing Date.

(xii) "Second Measurement Period Minimum EBITDA Threshold" shall mean Five Million Dollars ($5,000,000).

(xiii) "Third Measurement Period" shall mean the period beginning on the day following the second anniversary of the Closing Date and ending on the third anniversary of the Closing Date.

(xiv) "Third Measurement Period Minimum EBITDA Threshold" shall mean Five Million Six Hundred Fifty Thousand Dollars ($5,650,000).

(d) Certain Agreements. From the Closing until the end of the Fifth Measurement Period (or until the date of an earlier Forfeiture Event), Buyer shall (i) maintain separate accounting records necessary or appropriate to calculate the EBITDA of the Company, (ii) consult regularly with Seller with respect to the strategic direction and operation of the Acquired Companies and their respective businesses, and (iii) not take any action in bad faith with the intent to avoid or minimize the amount of any Contingent Payment. Subject to the foregoing and the other provisions of this Agreement and the other Transaction Documents, (i) Buyer shall have the sole and absolute right to make any and all business decisions related to the operations of the Acquired Companies, including with respect to pricing, capital expenditures, changes in salaries and benefits, and budgets, and (ii) except as may be required by Law, nothing contained in this Agreement shall be construed to restrict in any way the management of Buyer and its Affiliates from operating their respective businesses (including the Acquired Companies) in the manner which Buyer's management and the board of directors of Amedisys deem most beneficial for Buyer and the equityholders of Amedisys. Seller acknowledges and agrees that (i) any Contingent Payment is speculative and is subject to numerous factors outside the control of Buyer, (ii) there is no assurance that Seller will receive any Contingent Payment, and (iii) Buyer has neither promised nor projected payment of any Contingent Payment.

(e) Buyer acknowledges and agrees that Seller may, in his sole discretion, allocate a portion of any Contingent Payment otherwise due to Seller under this Section 1.03 to one or more (i) employees of the Company or an Affiliate thereof, subject to such Persons being employed by the Company at the time such payment is made to them, or (ii) service providers of the Company, which are not subject to withholdings. All such payments made pursuant to clause (i) shall be made net of withholdings required

by Law, will be subject to Buyer's receipt of tax forms reasonably requested by Buyer from the recipients, and shall be reported by Buyer as compensation paid to such recipients. Buyer shall cause the Company to make such payments promptly as directed by Seller in writing and, in the case of payments to employees of the Company or an Affiliate thereof, in accordance with the Company's normal payroll practices and subject to withholdings that are required by Law.

1.04 The Closing. Subject to the terms and conditions hereof, including those set forth in Article 2 hereof, the closing of the transactions contemplated by this Agreement (the "Closing") will take place at 10:00 a.m. (ET) on March 1, 2016, unless another time and/or date is agreed to in writing by the Company and Buyer (the "Closing Date"). Unless another time and/or date is agreed to in writing by the Company and Buyer, the Closing shall be effective as of 12:01 a.m. (ET) on the Closing Date. The Closing shall take place via the electronic exchange of documents and funds. No transaction contemplated hereby will be deemed to have been completed and no document, instrument or certificate contemplated hereby shall be deemed to have been delivered until all transactions contemplated hereby are completed and all documents contemplated hereby delivered.

ARTICLE 2

CONDITIONS TO CLOSING

2.01 Conditions to All Parties' Obligations. The obligations of Seller and Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions as of the Closing Date:

(a) All required notifications and filings with Governmental Authorities in connection with the transactions contemplated by this Agreement shall have been made and each applicable Governmental Authority, to the extent required before Closing, shall either have (i) given the approvals, consents or clearances required under relevant applicable Law for the completion of the transactions contemplated by this Agreement, (ii) rendered a decision that no approval, consent or clearance is required under relevant applicable Law for completion of the transactions contemplated by this Agreement, (iii) failed to render a decision within the applicable waiting period under relevant applicable Law and such failure is considered under such Law to be a grant of all requisite consents or clearances under such Law, or (iv) referred the transactions contemplated by this Agreement or any part thereof to another Governmental Authority in accordance with relevant applicable Law and one of the requirements listed in items (i) through (iii) above has been fulfilled in respect of such other Governmental Authority.

(b) Except for any pending or threatened suit, action or other proceeding directly or indirectly initiated by the party asserting its right not to consummate the transactions contemplated by this Agreement pursuant to this Section 2.01(b), no action or proceeding before any Governmental Authority will be pending or threatened in writing wherein an unfavorable judgment, decree or order would prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded.

(c) This Agreement will not have been terminated in accordance with Section 8.01(a).

2.02 Conditions to Buyer's Obligations. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions as of the Closing Date:

(a) Each of the representations and warranties of Seller, the Company and EHO contained in Articles 3 and 4 (i) that is qualified as to or by Material Adverse Effect will be true and correct as of the Closing Date as if made anew as of such date (except to the extent any such representation and warranty expressly relates to an earlier date (in which case as of such earlier date)) and (ii) that is not qualified as to or by Material Adverse Effect will be true and correct as of the Closing Date as if made anew as of such date (except to the extent any such representation and warranty expressly relates to an earlier date (in which case as of such earlier date)), except where any failure of any such representation and warranty referred to in this clause (ii) to be true and correct would not have a Material Adverse Effect. Buyer hereby acknowledges and agrees that the condition to Buyer's obligation set forth in this Section 2.02(a) shall be deemed to be satisfied with respect to any Interim Breaches if the aggregate amount of Interim Breach Losses does not exceed $2,000,000 (exclusive of all fees and costs of legal or other advisors expected to be incurred by Buyer in connection with such Interim Breaches).

(b) The Company, EHO and Seller will have performed, in all material respects, all of the covenants and agreements under this Agreement that are required to be performed by them at or prior to the Closing, including completion of the Reorganization.

(c) Seller will have delivered to Buyer a duly executed assignment of the Interests, together with the original EHO Membership Interest Certificate, and AHC Holdco will have delivered to Buyer a duly executed assignment of the Units, in each case in form reasonably acceptable to Buyer.

(d) The Company, EHO and Seller will have delivered to Buyer a certificate, dated as of the Closing Date, stating that (i) the conditions specified in subsections (a) and (b) above as they relate to the Company, EHO or Seller, as applicable, have been satisfied, and (ii) the Reorganization has been consummated, to which are attached copies of (v) the resolutions of the board of directors and Seller, as the sole shareholder of AHC Holdco, authorizing the sale by AHC Holdco of the Units, (w) the resolutions of the sole member and the manager(s) of each of the Company and EHO approving this Agreement and the Transactions and terminating the deferred compensation plans of the Acquired Companies effective immediately prior to the Closing, (x) the organizational documents of each of the Company, EHO, and AHC Holdco, (y) certificates of good standing issued by the Secretary of State of the Commonwealth of Massachusetts as of a recent date for each of the Company, EHO and AHC Holdco, and (z) all of the documents comprising the Reorganization (the "Reorganization Documents"), including a certificate of the Conversion issued by the Secretary of State of the Commonwealth of Massachusetts and the cancelled stock certificates in the names of Seller and Betsey Trigilio, evidencing their prior ownership of the Shares, as applicable, in each case certified as accurate and complete as of the Closing Date.

(e) The Company will have obtained the Acquired Company Third Party Consents.

(f) Seller will have delivered to Buyer a certification, dated as of the Closing Date, certifying any facts that would exempt the transactions hereunder from withholding under Section 1445 of the Code.

(g) The Acquired Companies will have delivered to Buyer the written resignations of all directors and officers of the Acquired Companies in office immediately prior to the Closing.

(h) The Escrow Agreement shall have been executed by Seller and the Escrow Agent.

(i) Seller shall have delivered to Buyer the lease agreements in the forms of Exhibits B-1 and B-2 (collectively, the "Lease Agreements"), as applicable, for the Affiliated Real Property, duly executed and delivered by the Company, as tenant, and Seller or its Affiliate, as applicable, as landlord.

(j) As of the Closing, each of the employment term sheet, dated as of the date hereof, by and between the Company and Seller, and the Executive Protective Covenant Agreement, dated as of the date hereof, between Amedisys and Seller, attached hereto as Exhibits C-1 and C-2, respectively (collectively, the "Employment Documents"), shall be in full force and effect, unless any such failure of the Employment Documents to be in full force and effect is due to the actions or omissions of Buyer or Amedisys.

(k) Seller shall have delivered to Buyer a confirmation signed by his present spouse (and any prior spouse) that she has no interest in or claim to the Units, the Interests, the Shares or the sale proceeds thereof, in form and content reasonably acceptable to the Buyer Company.

(l) Seller shall have delivered to Buyer documentation, in form and content reasonably acceptable to Buyer, evidencing that that the Acquired Companies have been irrevocably released and discharged from any and all outstanding guarantees and other obligations and liabilities relating to the Indebtedness of Seller and his Affiliates, along with documentation, in form and content reasonably acceptable to Buyer, evidencing that any and all Liens on the assets of the Acquired Companies relating to such guarantees, obligations and liabilities have been terminated.

(m) The Company shall have delivered to Buyer documentation, in form and content reasonably acceptable to Buyer, evidencing that all loans referenced on Section 4.17 of the Disclosure Schedule have been or will be repaid in full at or prior to the Closing.

(n) The Company shall have delivered to Buyer a copy of a CD or DVD-ROM containing a true, correct and complete copy of the electronic data room created in connection with the transactions contemplated by this Agreement.

2.03 Conditions to Seller's Obligations. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions as of the Closing Date:

(a) Each of the representations and warranties set forth in Article 5 hereof will be true and correct as of the Closing Date as if made anew as of such date (except to the extent any such representation and warranty expressly relates to an earlier date (in which case as of such earlier date)), except where any failure of any such representation and warranty to be true and correct would not have a material adverse effect on Buyer's ability to perform the transactions contemplated hereby.

(b) Buyer and Amedisys will have performed in all material respects all of the covenants and agreements under this Agreement that are required to be performed by them at or prior to the Closing.

(c) Buyer will have made the payments set forth in Section 1.01 due on the Closing Date.

(d) Buyer will have delivered to Seller a certificate in the form, dated as of the Closing Date, stating that the conditions specified in subsections (a) and (b) hereof have been satisfied.

(e) The Escrow Agreement shall have been executed by the Buyer and the Escrow Agent.

(f) As of the Closing, the Employment Documents shall be in full force and effect, unless any such failure of the Employment Documents to be in full force and effect is due to the actions or omissions of Seller.

2.04 Waiver of Conditions. All conditions to the Closing will be deemed to have been satisfied or waived from and after the Closing.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows as of the date hereof (unless otherwise indicated) and as of the Closing Date:

3.01 Power. Seller has all requisite power and authority to execute and deliver this Agreement and to perform his obligations hereunder.

3.02 Execution and Delivery; Valid and Binding Agreement. This Agreement has been duly executed and delivered by Seller, and assuming that this Agreement is the valid and binding agreement of Buyer and Amedisys, this Agreement constitutes the valid and binding obligation of Seller, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or moratorium Laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

3.03 No Breach. Except as set forth in Section 3.03 of the Disclosure Schedule, the execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby do not conflict with or result in any material breach of, constitute a material default under, result in a material violation of, result in the creation of any Lien upon any material assets of Seller, or require any authorization, consent, approval, exemption or other action by or notice to any Governmental Authority or other third party under any material indenture, mortgage, lease, loan agreement or other material agreement or instrument to which Seller is bound, or any Law or Governmental Order to which Seller is subject other than any such authorizations, consents, approvals, exemptions or other actions required under the any applicable anti-trust or competition Laws or that may be required solely by reason of Buyer's participation in the transactions contemplated hereby.

3.04 Ownership. As of the date hereof, Seller is the record owner of the Shares (all of which will be canceled pursuant to the Conversion), free and clear of all Liens, options, warrants, proxies, voting trusts or agreements and other restrictions and limitations of any kind, other than applicable federal and state securities law restrictions. Seller is the record owner of the Interests, free and clear of all Liens, options, warrants, proxies, voting trusts or agreements and other restrictions and limitations of any kind, other than applicable federal and state securities law restrictions. As of the Closing, Seller will own one hundred percent (100%) of the outstanding capital stock of AHC Holdco, free and clear of all Liens, options, warrants, proxies, voting trusts or agreements and other restrictions and limitations of any kind, other than applicable federal and state securities law restrictions. As of the Closing, AHC Holdco will be the record owner of the Units, free and clear of all Liens, options, warrants, proxies, voting trusts or agreements and other restrictions and limitations of any kind, other than applicable federal and state securities law restrictions, and the Units will not be certificated.

3.05 Brokerage. Except as set forth in Section 3.05 of the Disclosure Schedule, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Seller.

3.06 Litigation. There are no (i) outstanding judgments against Seller, (ii) Actions pending or, to the knowledge of Seller, threatened against Seller, or (iii) investigations by any Governmental Authority that are pending or, to the knowledge of Seller, threatened against Seller, in any case, which would adversely affect Seller's performance under this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES REGARDING THE ACQUIRED COMPANIES AND AHC HOLDCO

The Company and EHO, jointly, severally and solidarily, represent and warrant to Buyer as follows as of the date hereof (unless otherwise indicated) and as of the Closing Date:

4.01 Organization and Corporate Power.

(a) As of the date hereof, the Company is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts. As of the Closing, the Company will be a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts. The Company has all requisite corporate power and authority necessary to own and operate its properties. The Company is qualified to do business in every jurisdiction in which its ownership of property or the conduct of business as now conducted requires it to qualify. The Company has delivered to Buyer true and complete copies of the Company's Articles of Organization and Bylaws, each as amended and as in effect as of the date hereof. As of the Closing, the Company will have delivered to Buyer true and complete copies of EHO's Articles of Formation and Operating Agreement, each as amended and as in effect as of the Closing.

(b) EHO is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, and EHO has all requisite limited liability power and authority necessary to own and operate its properties. EHO is qualified to do business in every jurisdiction in which its ownership of property or the conduct of business as now conducted requires it to qualify. The Company has delivered to Buyer true and complete copies of EHO's Articles of Formation and Operating Agreement, each as amended and as in effect as of the date hereof.

(c) At the Closing, (i) AHC Holdco will be a corporation duly organized, validly existing and in good standing under the Laws of the Commonwealth of Massachusetts and will have all requisite corporate power and authority necessary to own and operate its properties; and (ii) AHC Holdco will be qualified to do business in every jurisdiction in which its ownership of property or the conduct of business as contemplated by this Agreement requires it to qualify.

4.02 Subsidiaries. The Acquired Companies do not own or hold the right to acquire any stock, partnership interest, joint venture interest or other equity ownership interest in any other Person.

4.03 Authorization; Execution and Delivery; Valid and Binding Agreement; No Breach.

(a) The execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action on the part of the Company, and no other proceedings on the Company's part are necessary to authorize the execution, delivery or

performance of this Agreement by the Company. This Agreement has been duly executed and delivered by the Company and assuming that this Agreement is a valid and binding obligation of Buyer and Amedisys, this Agreement constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

(b) The execution, delivery and performance of this Agreement by EHO and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite limited liability company action on the part of EHO, and no other proceedings on EHO's part are necessary to authorize the execution, delivery or performance of this Agreement by EHO. This Agreement has been duly executed and delivered by EHO and assuming that this Agreement is a valid and binding obligation of Buyer and Amedisys, this Agreement constitutes a valid and binding obligation of EHO, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

(c) As of the Closing, all actions taken by AHC Holdco in connection with this Agreement and the Transaction Documents to which it is a party will have been duly authorized, and all such Transaction Documents will have been duly executed and delivered by AHC Holdco and assuming that such Transaction Documents constitute valid and binding obligations of Buyer and Amedisys, as applicable, such Transaction Documents shall constitute valid and binding obligations of AHC Holdco, enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

(d) Except as set forth in Section 4.03 of the Disclosure Schedule, the execution, delivery and performance of this Agreement by the Company and EHO and the consummation of the transactions contemplated hereby (including the Conversion) do not conflict with or result in any breach of, constitute a default under, result in a violation of, result in the creation of any Lien upon any assets of the Acquired Companies, or require any filing, authorization, consent, approval, exemption or other action by or notice to any Governmental Authority or other third party, under the provisions of the Acquired Companies, organizational documents or Material Contract to which either of the Acquired Companies is bound, or any Law or Governmental Order to which either of the Acquired Companies is subject, other than any such authorizations, consents, approvals, exemptions or other actions required under any applicable antitrust or competition Laws or as may be required under the applicable requirements of antitrust, competition or other similar Laws and judicial doctrines of jurisdictions other than the United States or that may be required solely by reason of Buyer's participation in the transactions contemplated hereby.

(e) Except for filings with the Commonwealth of Massachusetts needed to effect the Conversion, the consummation of the transactions contemplated hereby will not conflict with or result in any breach of, constitute a default under, result in a violation of, result in the creation of any Lien upon any assets of AHC Holdco, or require any filing, authorization, consent, approval, exemption or other action by or notice to any Governmental Authority or other third party, under the provisions of AHC Holdco, organizational documents or any material contract to which AHC Holdco is bound as of the Closing, or any Law or Governmental Order to which AHC Holdco is subject as of the Closing, other than any such authorizations, consents, approvals, exemptions or other actions required under any applicable antitrust or competition Laws or as may be required under the applicable requirements of antitrust, competition or other similar Laws and judicial doctrines of jurisdictions other than the United States or that may be required solely by reason of Buyer's participation in the transactions contemplated hereby.

4.04 Capital Stock. Except as set forth in Section 4.04 of the Disclosure Schedule, the Acquired Companies do not have any other equity securities, convertible securities or other securities containing any equity features authorized, issued or outstanding, and there are no agreements, options, warrants or other rights or arrangements existing or outstanding which provide for the sale or issuance of any of the foregoing by the Acquired Companies. As of the date hereof, the Shares represent one hundred percent (100%) of the issued and outstanding capital stock of the Company. As of the Closing, the Units will represent one hundred percent (100%) of the issued and outstanding membership interests of the Company. The Interests represent one hundred percent (100%) of the issued and outstanding membership interests of EHO. Except for the Interests, there are no outstanding (a) shares of capital stock or other equity interests or voting securities of EHO, (b) securities convertible or exchangeable into membership interests of EHO, (c) options, warrants, purchase rights, subscription rights, preemptive rights, conversion rights, exchange rights, calls, puts, rights of first refusal or other contracts that require EHO to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem membership interests of EHO or (d) stock appreciation, phantom stock, profit participation or similar rights with respect to EHO. As of the date hereof, except for the Shares, there are no outstanding, and as of the Closing, except for the Units, there will be no outstanding (a) shares of capital stock or other equity interests or voting securities of the Company, (b) securities convertible or exchangeable into capital stock or membership interests of the Company, (c) options, warrants, purchase rights, subscription rights, preemptive rights, conversion rights, exchange rights, calls, puts, rights of first refusal or other contracts that require the Company to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem capital stock or membership interests of the Company or (d) stock appreciation, phantom stock, profit participation or similar rights with respect to the Company. As of the date hereof, the Shares have been duly authorized and are validly issued, fully paid and nonassessable. The Interests are validly issued and, as of the Closing, the Units will be validly issued. As of the Closing, AHC Holdco will have no Subsidiaries other than the Company which will be wholly-owned by it, and all of the outstanding capital stock of AHC Holdco shall have been issued in compliance with applicable Laws, and none of such outstanding capital stock shall have been issued or transferred in violation of any agreement, assignment or commitment to which Seller, the Company or AHC Holdco shall be a party or shall be subject to or in violation of any preemptive or similar rights.

4.05 Financial Statements. Section 4.05 of the Disclosure Schedule attaches true and correct copies of the: (i) unaudited balance sheet of the Company as of November 30, 2015 (the "Latest Company Balance Sheet") and the related statement of income for the eleven (11)-month period then ended; (ii) audited balance sheets of the Company as of December 31, 2014 and December 31, 2013, and the related statements of income and cash flows for the fiscal years then ended; (iii) unaudited balance sheet of EHO as of November 30, 2015 (the "Latest EHO Balance Sheet") and the related statement of income for the eleven (11)-month period then ended, and (iv) unaudited balance sheets of EHO as of December 31, 2014 and December 31, 2013, and the related statements of income and cash flows for the fiscal years then ended (all such financial statements referred to in clauses (i) through (iv), the "Financial Statements"). Except as set forth in Section 4.05 of the Disclosure Schedule, the Financial Statements present fairly, in all material respects, the financial condition of the Acquired Companies as of the times and for the periods referred to therein. The Acquired Companies do not have any material liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent or otherwise) relating to the operation of their respective businesses, as applicable, that are required under GAAP to be accrued on the face of a balance sheet, except for (i) current liabilities incurred in the ordinary course of business, consistent with past practice, since November 30, 2015 (the "Balance Sheet Date"), (ii) expenses incurred in connection with the transactions contemplated by this Agreement, (iii) obligations arising in the ordinary course under (A) Material Contracts and (B) other agreements that are not Material Contracts and were entered into by the Acquired Companies in the ordinary course of business, consistent with its past practice, (iv) liabilities set forth on the Latest Company Balance Sheet and the Latest EHO Balance Sheet, respectively, and (v) those liabilities set forth in Section 4.05 of the Disclosure Schedule. Neither Acquired Company is insolvent, has proposed a compromise or arrangement to its creditors generally, has had any petition for a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceeding with respect to a compromise or arrangement, has taken any proceeding to have itself declared bankrupt or wound-up, has taken any proceeding to have a receiver appointed to any part of its assets, or has had any debtor take possession of any of its property. The Financial Statements were prepared in accordance with GAAP, and to the extent consistent with GAAP, using consistently applied accounting methods, assumptions, policies, principles, practices, and procedures, with consistent classification, judgments, and estimation methodology, except in the case of the financial statements referred to in clauses (i), (iii) and (iv) above, for the absence of footnote disclosures and in the case of the financial statements referred to in clauses (i) and (iii) above, normal recurring changes resulting from year-end adjustments.

4.06 Absence of Certain Developments. Since the Balance Sheet Date, there has not occurred any Material Adverse Effect. Prior to the Closing, AHC Holdco shall have conducted no operations and its sole assets shall be (i) prior to the Conversion, the Shares (which will be cancelled pursuant to the Conversion), and (ii) following the Conversion, all of the Units. Except as set forth in Section 4.06 of the Disclosure Schedule and except as expressly contemplated by this Agreement, since the Balance Sheet Date, each Acquired Company has conducted its business in the ordinary course, consistent with past practice, and neither Acquired Company has:

(a) mortgaged, pledged or subjected to any Lien any of its material assets, except Permitted Liens;

(b) sold, assigned or transferred any material portion of its tangible assets, except in the ordinary course of business consistent with past practice;

(c) issued, sold, redeemed or transferred any of its capital stock or other equity securities, securities convertible into its capital stock or other equity securities or warrants, options or other rights to acquire its capital stock or other equity securities, or any bonds or debt securities;

(d) amended its charter or by-laws or other applicable organizational documents;

(e) acquired by merger, equity purchase or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any division thereof;

(f) made any material capital investment in, or any material loan to, any other Person;

(g) made any material capital expenditures or commitments therefor, except in the ordinary course of business consistent with past practice or pursuant to its existing capital expenditure budget;

(h) deferred an capital expenditures, except in the ordinary course of business consistent with past practice;

(i) made any changes in wages, salary or other compensation with respect to its officers, directors or employees, in each case other than changes made in the ordinary course of business consistent with past practice or pursuant to existing agreements or arrangements listed on Section 4.10 of the Disclosure Schedule;

(j) paid, loaned or advanced (other than the payment of salary and benefits, the payment, advancement or reimbursement of expenses in the ordinary course of business consistent with past practice or intercompany payments between the Acquired Companies, in any event in the ordinary course of business consistent with past practice) any amounts to, or sold, transferred or leased any of its assets to, or entered into any other transactions with, any of its Affiliates other than in the ordinary course of business consistent with past practice;

(k) commenced or settled any litigation involving an amount in excess of $50,000 for any one case;

(l) cancelled or waived any claims with a potential value in excess of $50,000, other than in the ordinary course of business;

(m) terminated, assigned, amended, canceled or waived any material right under any Material Contract, other than in the ordinary course of business consistent with past practice;

(n) changed its accounting methods or principles theretofore adopted, except as required by GAAP and reflected in the Financial Statements;

(o) experienced any damage, destruction or casualty loss (other than those covered by insurance) with respect to any of the assets or properties of such Acquired Company that, individually or in the aggregate with respect to both Acquired Companies, exceeds $50,000;

(p) made any material change to its Benefit Plans or the benefits payable thereunder;

(q) experienced any labor grievances or similar claims filed;

(r) incurred any Indebtedness (other than (1) borrowings under the Company's revolving line of credit in the ordinary course of business consistent with past practice, or (2) other ordinary course borrowings in an aggregate amount of no more than $100,000), guaranteed another Person's Indebtedness, or prepaid any Indebtedness;

(s) made any material change in the terms of payment by its patients/payors for any services it performs the effect of which is to enable it to receive payment or recognize revenues in its statement of operations for any period ending on or before the Closing Date which, but for that change, it would not so receive or recognize before a period beginning after the Closing Date;

(t) made any material change in its practices with respect to timely payment of accounts payable or other obligations payable to vendors, suppliers or other third parties; or

(u) committed to do any of the foregoing.

4.07 Title to Properties. Section 4.07 of the Disclosure Schedule sets forth a true, correct and complete listing of all tangible personal property owned by the Company as of the Balance Sheet Date with a depreciated book value in excess of $5,000. Except as set forth in Section 4.07 of the Disclosure Schedule, the Company has good title to, or holds pursuant to valid and enforceable leases, all of the personal property owned or leased by the Company as of the Balance Sheet Date or acquired by the Company since the Balance Sheet Date, free and clear of all Liens, except for Permitted Liens, and except for assets disposed of by the Company in the ordinary course of business consistent with past practice since the Balance Sheet Date. Except as set forth on Section 4.07 of the Disclosure Schedule, all of the tangible personal property of the Company is in good working order and condition in accordance with industry practice, ordinary wear and tear excepted, and adequate in all material respects for the purposes for which they presently are being used or held for use. EHO does not own any material personal property. Section 4.07 of the Disclosure Schedule sets forth a list of all leases of tangible personal property to which the Company is a party. Each such lease remains in full force and effect and the Company is not in breach or default in any material respect thereunder and, to the Company's knowledge, no lessor thereunder is in breach or default in any material respect. True and complete copies of all such leases, together with all modifications, extensions, amendments and assignments thereof, if any, have been made available to Buyer.

4.08 Real Property.

(a) The real property described in Section 4.08(a) of the Disclosure Schedule (the "Leased Real Property") constitutes all of the real property leased by the Company. The Company does not own any real property. EHO does not lease or own any real property. Section 4.08(a) of the Disclosure Schedule sets forth a list of all leases pursuant to which the Company leases real property (each a "Company Lease") and the address of the real property to which it relates. Except as set forth in Section 4.08(a) of the Disclosure Schedule, each Company Lease is in full force and effect, and the Company holds a valid and existing leasehold interest under each such lease, subject to proper authorization and execution of such lease by the other party and the application of any bankruptcy or creditor's rights Laws and Permitted Liens. The Company has delivered or made available to Buyer copies of each of the Company Leases, together with all modifications, extensions, amendments and assignments thereof. The Company is not in material default under any Company Lease and, to the Company's knowledge, no counterparty to any such lease is in material default thereunder. Except as set forth on Section 4.08 of the Disclosure Schedule, the Company has not subleased or granted any other right to the use or occupancy of any real property that is the subject of any Company Lease.

(b) The Company is not a party to and is not otherwise bound by, nor is any of the Leased Real Property subject to, any contract requiring it to pay any commissions or other compensation to any brokers or agents in connection with the Leased Real Property, and has had no dealing with any broker or agent with respect to the Leased Real Property upon which any such broker or agent would be entitled to a commission or other compensation.

4.09 Tax Matters. Except as set forth in Section 4.09 of the Disclosure Schedule:

(a) Each Acquired Company or an Affiliate thereof has timely filed (taking into account any extensions) with the appropriate Tax authorities all Tax Returns that were required to be filed for or on behalf of such Acquired Company, and has paid all Taxes due and owing (whether or not shown on any Tax Return) by each Acquired Company. All such Tax Returns were true, correct and complete in all material respects and were prepared in accordance with all applicable Tax Laws. Each Acquired Company has withheld and paid to the appropriate Tax authorities all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party, and all Forms W-2 and 1099 required with respect thereto have been properly completed in all material respects and timely filed.

(b) The unpaid Taxes of the Acquired Companies for all Tax periods through the Balance Sheet Date did not as of such date exceed the reserve for Taxes (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth in the Latest Company Balance Sheet and the Latest EHO Balance Sheet, as applicable, and such unpaid Taxes will not exceed as of the Closing Date such reserve as adjusted for the passage of time in accordance with the GAAP-compliant past custom and practice of the Acquired Companies through the Closing Date.

(c) Neither Acquired Company has received from any Tax authority any written (or to the Company's knowledge, oral) notice of any proposed adjustment, deficiency or underpayment of any Taxes, and there is no dispute, audit, action, suit, investigation (to the Company's knowledge), proceeding or claim now pending or, to the Company's knowledge, that has been threatened in writing concerning any Tax liability of the Acquired Companies. The Acquired Companies have not waived any statute of limitations in respect of Taxes of the Acquired Companies beyond the Closing Date or agreed to any extension of time beyond the Closing Date with respect to a Tax assessment or deficiency.

(d) The Acquired Companies are not party to any Tax-sharing agreement.

(e) Neither of the Acquired Companies is a U.S. real property holding corporation within the meaning of Section 897(c)(2) of the Code.

(f) Neither of the Acquired Companies is and has not been a party to any "listed transaction" as defined in Code Section 6707A(c)(2) and Treasury Regulations Section 1.6011-4(b)(2).

(g) (i) The Company has been a validly electing S corporation within the meaning of Section 1361 of the Code at all times since March 1, 1991. Other than as contemplated by the Reorganization, neither Seller nor the Company has taken any action that would invalidate the Company's election to be treated as an S corporation within the meaning of Section 1361 of the Code.

(ii) Prior to the Closing, AHC Holdco will have timely made an election to be treated as an S corporation within the meaning of Section 1361 of the Code (and all corresponding provisions of state and local Law, if applicable) effective on, and will be qualified as an S corporation for federal income Tax purposes (and all corresponding provisions of state and local Tax Law, if applicable) since, the date on which it acquires the Shares. As of the Closing, no issue shall have been raised by any Governmental Authority with respect to AHC Holdco's qualification as an S corporation under federal income Tax Law or any corresponding provisions of state and local Tax Law, if applicable.

(iii) Prior to the Closing, pursuant to Treasury Regulation Section 1.1361-3, the Company will have taken all steps and made all filings on a timely basis to become a QSub within the meaning of Section 1361(b)(3)(B) of the Code at the time Seller contributes the Shares to AHC Holdco and will retain such status at all times until the Closing.

(iv) The Reorganization will occur on a tax-free basis and upon completion thereof the Company will be a disregarded entity for tax purposes, as provided in Treasury Regulation Section 301.7701-3.

(h) There are no Liens for Taxes against either Acquired Company's assets, other than Liens that constitute a Permitted Lien.

(i) All Tax Returns filed by the Acquired Companies, examination reports, and statements of deficiencies assessed against or agreed to by the Acquired Companies, for all taxable periods ending prior to the Closing Date that are still open to examination under all applicable statutes of limitations have been made available to Buyer. Section 4.09 of the Disclosure Schedule identifies those Tax Returns that have been audited and those currently subject to audit.

(j) Neither Acquired Company is a party to any agreement, contract, arrangement, or plan that has resulted or could result, separately or in the aggregate, in the payment of (i) any ‘‘excess parachute payment’’ within the meaning of Code §280G (or any corresponding provision of state, local, or non-U.S. Tax law) or (ii) any amount that will not be fully deductible as a result of Code §162(m) (or any corresponding provision of state, local, or non-U.S. Tax law). Each Acquired Company has disclosed on its federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Code §6662. Neither Acquired Company (A) has been a member of an Affiliated Group filing a consolidated federal income Tax Return (other than a group the common parent of which was the Company) or (B) has any liability for the Taxes of any Person under Treasury Regulations §1.1502-6 (or any similar provision of state, local, or non-U.S. law), as a transferee or successor, or by contract.

(k) Within the past three (3) years, neither Acquired Company has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code §355 or Code §361.

(l) The Acquired Companies have not, in the past ten (10) years, (A) acquired assets from another corporation in a transaction in which such Acquired Company’s federal income Tax basis for the acquired assets was determined, in whole or in part, by reference to the federal income Tax basis of the acquired assets (or any other property) in the hands of the transferor or (B) acquired the stock of any corporation.

(m) Neither Acquired Company will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

(A) change in method of accounting for a taxable period ending on or prior to the Closing Date;

(B) use of an improper method of accounting for a taxable period ending on or prior to the Closing Date;

(C) ‘‘closing agreement’’ as described in Code §7121 (or any corresponding or similar provision of state, local, or non-U.S. income Tax law) executed on or prior to the Closing Date;

(D) intercompany transactions or any excess loss account described in Treasury Regulations under Code §1502 (or any corresponding or similar provision of state, local, or non-U.S. income Tax law);

(E) installment sale or open transaction disposition made on or prior to the Closing Date;

(F) prepaid amount received on or prior to the Closing Date; or

(G) election under Code §108(i).

(n) No claim has ever been asserted by a Governmental Authority of a jurisdiction where an Acquired Company does not file Tax Returns that such Acquired Company is or may be subject to taxation by such jurisdiction. Neither Acquired Company has had or engaged in a "reportable transaction" within the meaning of Section 6707A(c)(1) of the Code. Neither Acquired Company is currently the beneficiary of any extension of time within which to file any Tax Return.

(o) The representations set forth in this Section 4.09 are the only representations in this Agreement with respect to Taxes and any claim for breach of representation with respect to Taxes will be based on the representations made in this Section 4.09 and will not be based on the representations set forth in any other provision of this Agreement. The representations set forth in this Section 4.09 refer only to past activities of the Acquired Companies are not intended to serve as representations and warranties regarding, nor can they be relied upon with respect to, Taxes attributable to a Post-Closing Tax Period or a position taken after the Closing Date.

4.10 Contracts and Commitments.

(a) Except as set forth in Section 4.10(a) of the Disclosure Schedule, neither of the Acquired Companies is party to any written:

(i) joint venture agreement, operating agreement, management agreement, cost sharing agreement, or partnership agreement;

(ii) collective bargaining agreement or contract with any labor union;

(iii) bonus, pension, profit sharing, severance, retention, change of control, retirement or other form of deferred compensation plan, in each case, other than as described in Section 4.13;

(iv) stock purchase, stock option or similar plan with respect to equity of the Acquired Companies;

(v) contract for the employment of any officer, individual employee or other person on a full-time or consulting basis providing for fixed compensation in excess of $100,000 per annum, other than offer letters, non-disclosure, non-solicitation, non-competition or similar agreements;

(vi) agreement or indenture relating to Indebtedness or to mortgaging, pledging or otherwise placing a Lien on any assets of the Acquired Companies;

(vii) guaranty of any obligation for borrowed money;

(viii) lease or agreement under which it is lessee of, or holds or operates any personal property owned by any other party, for which the annual rental payment exceeds $50,000;

(ix) lease or agreement under which it is lessor of or permits any third party to hold or operate any property, real or personal, for which the annual rental payment exceeds $50,000;

(x) contract or group of related contracts with the same party for the purchase of products or services, involving payments by either Acquired Company for goods, services or materials of $50,000 or more in any calendar year;

(xi) contract or group of related contracts with the same party for the sale of products or services involving payments to either Acquired Company for goods, services or materials of $50,000 or more in any calendar year;

(xii) aging service access point contracts with any Governmental Authority;

(xiii) contract that by its terms contains non-competition restrictions that restrict the ability of the Acquired Companies to compete in any geographical area or business (other than confidentiality agreements entered into in the ordinary course of business);

(xiv) distributorship or sales agency agreement;

(xv) contract related to an acquisition or divestiture of any corporation, partnership or other business organization or division thereof or collection of assets constituting all or substantially all of a business or business unit by either Acquired Company;

(xvi) contract between either Acquired Company and any officer, director or equity holder, or, to the knowledge of the Company, any Affiliate thereof;

(xvii) contract providing for an exclusive relationship or the purchase from a supplier of all or substantially all of the requirements of either Acquired Company of a particular product or service, including cell phone contracts, utilities, healthcare insurance, leases and the like;

(xviii) Billing Arrangement; or

(xix) any contract between either Acquired Company and any physician, physician group or Third Party Payor.

(b) Buyer has been given access to true and correct copies of all written contracts which are listed in Section 4.10(a) of the Disclosure Schedule, together with all amendments, waivers or other changes thereto (each, a "Material Contract" and, collectively, the "Material Contracts").

(c) The Material Contracts are in full force and effect and are valid binding obligations of the Acquired Companies. Except as set forth in Section 4.10(c) of the Disclosure Schedule, (i) neither of the Acquired Companies is in default in any material respect under any Material Contract and (ii) to the Company's knowledge, the counterparty or counterparties to each such agreement or contract are not in material default thereunder.

(d) Except as set forth on Section 4.10 of the Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not result in any material default by the Company under any such Material Contract or afford any other party the right to terminate any such Material Contract. Except as set forth on Section 4.10 of the Disclosure Schedule, the Company has not received written (or, to the knowledge of the Company, oral) notice of any intention of any other party to any Material Contract to exercise any right to cancel or terminate that Material Contract.

4.11 Intellectual Property.

(a) All of the internet domain names, registered trademarks, registered trade names, registered service marks, registered copyrights or applications for any of the foregoing and software (other than off-the-shelf software) owned or licensed by the Company and used in the conduct of the business of the Company are set forth in Section 4.11(a) of the Disclosure Schedule (the "Company Intellectual Property"), which Section 4.11(a) separately identifies the Company Intellectual Property owned by the Company. The Company does not hold any patents nor has any pending patent applications and EHO does not own or license any material Intellectual Property.

(b) Except as set forth in Section 4.11(b) of the Disclosure Schedule, the Company owns or has the right to use all Company Intellectual Property and the Company Intellectual Property owned by the Company does not infringe upon, violate, misappropriate or make unlawful use of the Intellectual Property or other rights of any other Person. Except as set forth in Section 4.11(b) of the Disclosure Schedule, no Company Intellectual Property owned by the Company is the subject of any pending or, to the Company's knowledge, threatened actions, suits or proceedings. To the Company's knowledge, no Person is currently infringing or, within the past three (3) years has infringed, on any Company Intellectual Property owned by the Company. Neither Acquired Company has granted to any Person exclusive rights to any of the Company Intellectual Property.

(c) Section 4.11(b) of the Disclosure Schedule sets forth all licenses, sublicenses and other agreements whereby an Acquired Company is or has granted rights, interests and authority, whether on an exclusive or non-exclusive basis, to use Company Intellectual Property in the conduct of its business (other than "off the shelf" or standard software licenses). Except as set forth in Section 4.11(c) of the Disclosure Schedule, neither Acquired Company has within the past three (3) years received in writing (or, to the knowledge of the Company, orally) any charge, complaint, claim, demand or notice alleging any infringement, misappropriation, or violation (including any claim that an Acquired Company must license or refrain from using any Intellectual Property of any third party in order to avoid infringement) of the Intellectual Property of any third party.

(d) All prior and current employees and independent contractors of the Company who have or may have any legal right, title or interest in or to any of the Company Intellectual Property listed as owned by the Company on Section 4.11(a) of the Disclosure Schedule have entered into release and acknowledgement agreements with the Company substantially in the form attached hereto as Section 4.11(d) of the Disclosure Schedule (the "Release and Acknowledgment Agreements") duly assigning to the Company all of his/her/its legal right, title or interest in or to any such Company Intellectual Property. The Company has made available to Buyer copies of such Release and Acknowledgment Agreements.

(e) The representations set forth in this Section 4.11 are the only representations in this Agreement with respect to Intellectual Property and any claim for breach of representation with respect to Intellectual Property will be based on the representations made in this Section 4.11 and will not be based on the representations set forth in any other provision of this Agreement.

4.12 Litigation. Except as set forth in Section 4.12 of the Disclosure Schedule, there are no Actions pending or, to the Company's knowledge, threatened against the Acquired Companies, at law or in equity, or before or by any Governmental Authority, and neither of the Acquired Companies is subject to any outstanding Governmental Order entered against the Acquired Companies.

4.13 Employee Benefit Plans.

(a) Section 4.13(a) of the Disclosure Schedule sets forth a list of each Benefit Plan. The Company has made available to Buyer true and complete copies of: (i) any and all plan documents, amendments and agreements; (ii) the current summary plan description and any material modifications thereto; (iii) the most recent annual report, if applicable, with respect to such Benefit Plan. Each Benefit Plan has been established and administered in all material respects in accordance with its terms and applicable Law and Legal Requirements, including, as to each Benefit Plan that is subject to United States Law, ERISA and the Code. Each of the Benefit Plans that is intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), has received a favorable determination letter from the Internal Revenue Service, and, to the knowledge of the Company, nothing has occurred subsequent to the issuance of such determination letter which would reasonably be expected to cause such Benefit Plan to lose its qualified status. The Benefit Plans comply in form and in operation in all material respects with the requirements of the Code and ERISA, to the extent applicable.

(b) With respect to the Benefit Plans, all required contributions of the Acquired Companies due on or before the Closing Date have been made or properly accrued on the Company's books and records on or before the Closing Date. Except as set forth in Section 4.13(b) of the Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not (i) accelerate the time of payment or vesting under any Benefit Plan, (ii) increase the amount of compensation due to any current or former officer, employee, director or independent contractor of either Acquired Company, (iii) entitle any current or former employee, officer, director or independent contractor of either Acquired Company to severance pay, unemployment compensation or any other payment, (iv) directly or indirectly cause the Company to transfer or set aside any assets to fund or otherwise provide for the benefits under any Benefit Plan for any current or former employee, officer, director or independent contractor, or (v) result in any non-exempt prohibited transaction described in ERISA Section 406 or Code Section 4975.

(c) Except as set forth in Section 4.13(c) of the Disclosure Schedule, none of the Plans is subject to Title IV of ERISA nor provide for medical or life insurance benefits to retired or former employees of the Company (other than as required under Code Section 4980B, or similar state law). Except as set forth in Section 4.13(c) of the Disclosure Schedule, neither Acquired Company, nor any of their respective ERISA Affiliates, either currently or at any time during the six (6) year period ended on the date hereof, sponsored, maintained, or were otherwise obligated to contribute to a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA, or any pension plan subject to Section 412 of the Code. Any trust funding a Benefit Plan, which is intended to be exempt from U.S. federal income Tax under Section 501(c)(9) of the Code, satisfies the requirements of that Section and has received a favorable determination letter from the IRS regarding that exempt status and has not, since receipt of the most recent favorable determination letter, been amended or operated in a way that would adversely affect that exempt status.

4.14 Insurance. Section 4.14 of the Disclosure Schedule sets forth each insurance policy maintained by the Acquired Companies, true and correct copies of which have been made available by the Company to Buyer. All such insurance policies are in full force and effect, neither of the Acquired Companies is in material default with respect to its obligations under any such insurance policies, and no written (or, to the knowledge of the Company, oral) notice of cancellation has been received by either of the Acquired Companies with respect to any such insurance policy. The Acquired Companies have made available to Buyer true and correct copies of all insurance loss runs and worker's compensation claims for the Acquired Companies for the most recently ended three (3) policy years. Further, no material insurance carried by the Acquired Companies has been canceled during the past five (5) years, and neither Acquired Company has been denied any material coverage during such period. Except as disclosed on Section 4.14 of the Disclosure Schedule, there are no pending material claims under any such insurance policy as to which the respective insurers have denied coverage. Neither Acquired Company has received any written (or, to the knowledge of the Company, oral) notice of any material increase (or proposed material increase) after the date hereof in any deductibles, retained amounts or premiums payable under the insurance policies listed on Section 4.14 of the Disclosure Schedule that, to the Company's knowledge, is disproportionate to other increases occurring in the industry in which the Company operates.

4.15 Compliance with Laws; Permits.

(a) Except as set forth in Section 4.15(a) of the Disclosure Schedule, the Acquired Companies are, and during the past three (3)-years have been, in compliance in all material respects with all Laws and Legal Requirements applicable to the conduct of their respective businesses as currently conducted, including Laws and Legal Requirements respecting employment and employment practices, immigration, terms and conditions of employment, wages and hours, and workplace health and safety, applicable security and privacy standards regarding protected health information under HIPAA, all applicable state privacy and security Laws, and with all applicable regulations promulgated under any such legislation. Neither Acquired Company has, during the three (3)-year period preceding the date hereof, received written (or, to the knowledge of the Company, oral) notice of any Action by any Person alleging material liability under, or material noncompliance with, any such Law or Legal Requirement.

(b) Section 4.15(b) of the Disclosure Schedule contains a true and complete list of all material Permits held by the Acquired Companies and currently in effect. All such Permits are valid and in full force and effect and none of such Permits shall terminate as a result of the consummation of the transactions contemplated hereby. Each Acquired Company is (and during the three (3)-year period preceding the date hereof has been) in material compliance with the terms and conditions of such Permits. The Acquired Companies have not received any written (or, to the knowledge of the Company, oral) notice from a Governmental Authority of its intention to cancel, terminate, restrict, limit or otherwise qualify or not renew any of such Permits. The Acquired Companies have all material Permits that are necessary in order to enable the Acquired Companies to own and operate their respective businesses as currently conducted. This Section 4.15 does not relate to (i) Environmental Laws or environmental Permits, which are the subject of Section 4.16, or (ii) Permits required under Healthcare Laws, which are the subject of Section 4.23.

4.16 Environmental Compliance and Conditions. Except as set forth in Section 4.16 of the Disclosure Schedule:

(a) The Acquired Companies are, and for the last three (3) years have been, in compliance in all material respects with all Environmental Laws applicable to the conduct of their respective businesses as currently conducted.

(b) The Acquired Companies are, and for the last three (3) years have been, in compliance with all material Permits required under Environmental Law to conduct their respective businesses as currently conducted at the Leased Real Property.

(c) The Acquired Companies have not received during the last three (3) years any written (or, to the Company's knowledge, oral) notice, information request, demand, claim or notice of violation from any Governmental Authority regarding any actual or alleged violation of Environmental Laws, or any liabilities or potential liabilities for investigation costs, cleanup costs, response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney fees under Environmental Laws.

(d) There are Actions pending or, to the Company's knowledge, threatened before or by any Governmental Authority against the Acquired Companies which assert any claim under any Environmental Law.

(e) The Acquired Companies have not disposed of or released any Hazardous Substance so as to give rise to any material liability for investigation costs, cleanup costs, response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney fees under CERCLA or any other Environmental Laws.

(f) The representations and warranties in this Section 4.16 are the sole and exclusive representations and warranties in this Agreement concerning environmental matters, including matters arising under Environmental Laws.

4.17 Affiliated Transactions. Except as set forth in Section 4.17 of the Disclosure Schedule, no officer, director, stockholder, member or manager of either Acquired Company or, to the Company's knowledge, any individual in such officer's or director's immediate family or any Affiliate thereof is a party to any material agreement, contract, commitment or transaction with either Acquired Company or has any material interest in any material property used by

either Acquired Company. Neither Acquired Company has made any loans to any officer, director, stockholder, member, manager or employee of either Acquired Company that remain outstanding except as set forth in Section 4.17 of the Disclosure Schedule, all of which outstanding loans shall be repaid in full at or prior to the Closing.

4.18 Employment and Labor Matters. Section 4.18(a) of the Disclosure Schedule lists all employees, officers and independent contractors of the Company as of January 28, 2016, and their state of residence, job title, length of service, hourly rates of compensation or base salaries (as applicable) and bonus payments (fixed and discretionary), if any, and any other form of compensation (other than salary, bonuses or customary benefits) paid or payable to such person for the most recent fiscal year. Section 4.18(b) of the Disclosure Schedule sets forth, for each person listed on Section 4.18(a) of the Disclosure Schedule, the amount of accrued vacation, sick and paid time off for such person as of December 31, 2015. EHO does not have any employees.Section 4.18 of the Disclosure Schedule also identifies each employee who is not fully available to perform his or her duties as a result of disability or other leave and sets forth the basis of such leave and the anticipated date of return to full service. Except as set forth in Section 4.18 of the Disclosure Schedule, (a) the Company is not a party to or bound by any collective bargaining agreement, nor has it experienced any strike or material grievance, claim of unfair labor practices, or other collective bargaining dispute within the past five (5) years, and (b) (i) the Company is not subject to any labor dispute, labor-related arbitration, labor-related lawsuit or labor-related administrative proceeding, no such labor dispute, labor-related arbitration, labor-related lawsuit or labor-related administrative proceeding is pending, and, to the knowledge of the Company, none is threatened, and (ii) no Company employees are or have been represented by any labor union and no union organizing activities involving such employees are pending or, to the Company's knowledge, threatened. The Company is currently, and for the prior three (3) years has been, in compliance in all material respects with all applicable Laws relating to employment and labor, including those related to employment practices (including unfair employment practices), terms and conditions of employment, wage and hours, overtime pay, hiring practices, parental and family leave and pay, immigration, non-discrimination in employment, workers compensation, health and safety, and the collection and payment of withholding and/or payroll Taxes. The Company is not, and as of the Closing Date, will not be delinquent in payments to any employees for any wages, salaries, bonuses, benefits or other compensation for any services performed by them to date or through the Closing Date, as the case may be, or any amounts required to be paid to any employee for any post-employment or post-engagement obligations of any type due on or prior to the date hereof or the Closing Date, as the case may be. Except as set forth on Section 4.18 of the Disclosure Schedule, the employment or engagement, as applicable, of each officer, employee or independent contractor of the Company is "at will" and may be terminated without liability of Company, other than those obligations arising under applicable Laws and Legal Requirement, including with respect to payment of accrued wages and benefits. The Company has made available to Buyer all written employment contracts, independent contractor agreements, and severance plans of Company in effect (or under which the Company has continuing obligations) as of January 28, 2016, and has disclosed to Buyer any such contracts, agreements and plans that are not written. The Company has not classified any worker as an independent contractor who should reasonably be classified as an employee of the Company pursuant to the United States Department of Labor's and Internal Revenue Service's regulations.

4.19 Accounts Receivable and Accounts Payable.

(a) All of the accounts receivable reflected in the Latest Company Balance Sheet and the Latest EHO Balance Sheet, as applicable, (i) have arisen from bona fide transactions in the ordinary course of business consistent with past practice, and (ii) are valid and enforceable claims. No discount or allowance from any such receivable has been made or agreed to and none represents billings prior to actual sale of goods or provision of services. No obligor of any such receivable has refused or threatened in writing (or, to the Company's knowledge, orally) to pay its obligations for any reason and, to the knowledge of the Company, no such obligor has been declared bankrupt or is subject to any bankruptcy proceeding.

(b) All accounts payable and accrued expenses of the Company have arisen only from bona fide transactions in the ordinary course of business consistent with past practice.

4.20 Brokerage. Except as set forth in Section 4.20 of the Disclosure Schedule, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Acquired Companies.

4.21 Bank Accounts. Section 4.21 of the Disclosure Schedule lists the names and locations of all banks or other financial institutions in which the Acquired Companies have bank accounts, instrument of deposit or safe deposit box. The schedule identifies the nature of the account, the account number, and the names of all persons authorized to draw thereon or who have access thereto.

4.22 Power of Attorney. Except as listed on Section 4.22 of the Disclosure Schedule, the Company has not given to any Person (other than an employee of the Company or any Affiliate of the Company) for any purpose any power of attorney which is currently in effect.

4.23 Healthcare Matters.

(a) Except as set forth on Section 4.23(a) of the Disclosure Schedule: (A) the Acquired Companies are, and during the past six (6) years have been, conducted, in material compliance with all applicable Healthcare Laws, and (B) neither Acquired Company has received during the past six (6) years any written (or, to the knowledge of the Company, oral) notice from any Governmental Authority regarding any violation of any Healthcare Laws.

(b) Except as set forth on Section 4.23(a) of the Disclosure Schedule: (A) the Acquired Companies and their employees and independent contractors possess all Permits required by applicable Healthcare Laws necessary for the operation of the Acquired Companies as currently conducted, which Permits are set forth on Section 4.23(b) of the Disclosure Schedule; (B) none of such Permits will terminate as a result of the consummation of the transactions contemplated by this Agreement; (C) the Acquired Companies are, and have been during the past six (6) years, in compliance with such Permits in all material respects, and all of such Permits are valid, in good standing and in full force and effect; (D) there is no Action by or before any Governmental Authority pending, or, to the Company's knowledge, threatened against either Acquired Company to revoke, suspend, or otherwise limit any such Permit; (E) neither Acquired Company has, during the past six (6) years, received any written (or, to the

knowledge of the Company, oral) notice from any Governmental Authority regarding any material violation of any such Permit or any revocation, withdrawal, suspension, cancellation or termination of any such Permit; and (F) the Acquired Companies have filed all required reports and maintained and retained all records required by applicable Healthcare Laws.

(c) Except as set forth on Section 4.23(c) of the Disclosure Schedule: (A) all billing practices (including billing, coding, filing, and claims practices, and the related reports and filings) of the Acquired Companies are, and during the past six (6) years have been, in compliance with applicable Healthcare Laws and all applicable requirements of Third Party Payors ("Third Party Payor Requirements") in all material respects; (B) each of the Acquired Companies has paid or caused to be paid all known and undisputed refunds, overpayments, discounts or adjustments, which have become due to any Governmental Authority or Third Party Payor; (C) neither Acquired Company has any reimbursement, payment or payment rate appeals, disputes or contested positions pending before any Governmental Authority or Third Party Payor and, to the knowledge of the Company, none are threatened; (D) neither Acquired Company has claimed or received reimbursements from Government Programs or Private Programs, directly or indirectly through Third Party Payors, in excess of amounts permitted by applicable Healthcare Laws or Third Party Payor Requirements, with the exception of any excess amounts that have been repaid in full to the applicable Government Program or Private Program without liability to such Acquired Company; and (E) the right of the Acquired Companies to receive reimbursements pursuant to any Government Program or Private Program has not been terminated, rescinded, suspended or otherwise adversely affected as a result of any Action by a Governmental Authority or Third Party Payor.

(d) Neither Acquired Company nor any of their directors, officers, managers, employees or independent contractors has been or is currently suspended, excluded or debarred from contracting with the United States federal or any state government or from participating in any Federal Health Care Program (as defined in 42 USC § 1320a-7b(f)) or is subject to an investigation or proceeding by any Governmental Authority that has resulted in or would reasonably be expected to result in such suspension, exclusion, or debarment; nor has either Acquired Company or any of their directors, officers or managing employees, received written (or, to the Company's knowledge, oral) notice of any impending or potential exclusion or listing. Neither Acquired Company has been subject to sanction pursuant to 15 U.S.C. § 41 et seq. or 42 U.S.C. § 1320a-7a or 1320a-8, or been charged with or convicted of a crime described at 42 U.S.C. § 1320a-7b, and no such sanction or proceeding is pending or, to the Company's Knowledge, threatened. To the knowledge of the Company, no employee or independent contractor of the Acquired Companies has been or is currently suspended, excluded or debarred from contracting with the United States federal or any state government or from participating in any Federal Health Care Program (as defined in 42 USC § 1320a-7b(f)) or is subject to an investigation or proceeding by any Governmental Authority that has resulted in or would reasonably be expected to result in such suspension, exclusion, or debarment.

(e) Neither Acquired Company nor either of their respective directors, officers, employees, agents or contractors (while acting on behalf of an Acquired Company), have, during the past six (6) years, solicited, received, paid or offered to pay any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, for any referral in violation of any applicable Healthcare Law.

(f) Except as set forth on Section 4.23(f) of the Disclosure Schedule, neither Acquired Company is or has been: (A) a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services or any other consent decree, judgment, order, settlement or similar agreement with a Governmental Authority, (B) to the Company's knowledge, the subject of any investigation, program integrity review or audit conducted by any federal, state or local Governmental Authority, (C) to the Company's knowledge, a defendant or named party in any qui tam/False Claims Act litigation, (D) subject to any mandatory or discretionary exclusion or suspension from Federal program participation, or (E) the subject of any investigation, program integrity review, audit or survey conducted by any federal, state or local Governmental Authority that resulted in a finding of any alleged improper activity or the Acquired Company's receipt of either a notice of deficiency or other notice of any type of violation of any Healthcare Law or Third Party Payor Requirement. The Company has made available to Buyer true, correct and complete copies of each survey of the Acquired Companies conducted by or on behalf of any Governmental Authority or Third Party Payor in the preceding six (6) years.

(g) Except as set forth on Section 4.23(g) of the Disclosure Schedule, neither Acquired Company has, during the preceding six (6) years: (A) had any security or data breaches compromising or otherwise involving Protected Health Information, as that term is defined in HIPAA, that required notification under 45 C.F.R. § 164.406 or 45 C.F.R. § 164.408(b); (B) received any written (or, to the Company's knowledge, oral) claim or notice alleging or referencing the investigation of any breach or the improper use, disclosure or access to any Protected Health Information in its possession, custody or control; (C) received any written or oral communication from any Governmental Authority alleging that either Acquired Company is not in compliance with HIPAA that has not been resolved; or (D) otherwise violated HIPAA, the HITECH Act, any other applicable Laws or Legal Requirements concerning the privacy and security of health information, the anti-fraud and related provisions of HIPAA, 18 U.S.C. §§ 1035 and 1347, or any other state or federal data privacy or security Laws. Except as set forth on Section 4.23(g) of the Disclosure Schedule, no event has occurred that required either Acquired Company to provide notification to any Governmental Authority or Third Party Payor under any state privacy and/or breach notification Laws. The Acquired Companies, as applicable, have established and implemented such policies, programs, procedures, contracts and systems as are necessary to comply with HIPAA in all material respects.

(h) Except as set forth on Section 4.23(h) of the Disclosure Schedule, (i) neither Acquired Company has entered into any joint venture, partnership, co-ownership or other financial arrangement involving any ownership, lease or investment interest in or by the Acquired Company with an individual known by it to be a physician or an immediate family member of a physician; (ii) no institutional referral source of the Acquired Companies maintains an ownership interest in, or compensation arrangement with, the Acquired Companies; and (iii) no physician who has, or whose immediate family member has, a financial relationship (as such terms are defined in the Stark Law), with either Acquired Company directly or indirectly makes (or has made) referrals, as that term is defined in the Stark Law, to either Acquired Company or any predecessor business without complying with an applicable exception from the Stark Law's referral prohibition as set forth on Section 4.23(h) of the Disclosure Schedule.

(i) All employees and independent contractors of the Acquired Companies possess the necessary licenses, registrations, permits, certificates and qualifications, as required by applicable Healthcare Laws, Third Party Payor Requirements, state professional licensing agencies, and professional organizations to carry out their respective duties to the Acquired Companies. All of such licenses and certificates in effect are listed on Section 4.23(i) of the Disclosure Schedule. No such employee or independent contractor has (i) had any professional license, Drug Enforcement Agency number (if applicable), Medicare, Medicaid or TRICARE provider number suspended or revoked, (ii) been reprimanded, sanctioned or disciplined by any state licensing board or any Governmental Authority, professional society, hospital, third party payor or specialty board, or (iii) had a final judgment or settlement without judgment entered against him or her in connection with a malpractice or similar action.

(j) The Acquired Companies are not required, and have not been required during the past six (6) years, to file any cost reports in order to comply with applicable Government Program or Private Program requirements.

(k) The Acquired Companies are not relying on any exemption from or deferral of any Healthcare Laws (other than applicable exceptions from the Stark Law's referral prohibition as set forth on Section 4.23(i) of the Disclosure Schedule).

(l) EHO currently maintains and, during the preceding six (6) years has at all times maintained, any and all Permits required by Law to be maintained by it in order to provide the management and other services being provided by it to the H.E.A.R.T. homes serviced by it (the "H.E.A.R.T. Home Services"). EHO has not received any federal or state funds, including any funds from any Government Program, in consideration of its provision of H.E.A.R.T. Home Services. The H.E.A.R.T. Home Services are not subject to regulation by HUD or the Massachusetts Executive Officer of Elder Affairs. EHO is currently and, during the preceding six (6) years has at all times been, in compliance with all applicable Laws in connection with its provision of H.E.A.R.T. Home Services.

(m) For the avoidance of doubt, and without limitation, "material" matters for purposes of this Section 4.23 shall include the following: (i) a substantial amount of money received by the Acquired Companies or any predecessors of the Acquired Companies in excess of the amount due and payable under any Government Program or Private Program requirements or Third Party Payor Requirements; (ii) a matter that a reasonable person would consider a probable violation of Law applicable to any Federal Health Care Program (as defined in 42 USC § 1320a-7b(f))for which penalties or exclusion may be authorized; or (iii) the employment of or contracting with a Person who has been or is currently suspended, excluded or debarred from contracting with the United States federal or any state government or from participating in any Federal Health Care Program (as defined in 42 USC § 1320a-7b(f)).

The representations and warranties in this Section 4.23 and Section 4.25 (collectively, the "Health Care Representations") are the sole and exclusive representations and warranties in this Agreement concerning health care matters.

4.24 Relationships with Customers. Section 4.24 of the Disclosure Schedule includes a list of the Company's top twenty (20) Customers in order of gross revenue for each of the years ended December 31, 2015, December 31, 2014, and December 31, 2013. There are not, and have not been during the three (3)-year period preceding the date hereof, any material disputes with any such Customer. No such Customer has (i) cancelled or otherwise terminated any contract with the Company prior to the expiration of such contract's term, (ii) cancelled or has threatened in writing (or, to the Company's knowledge, orally) to cancel or otherwise terminate its relationship with the Company, (iii) reduced or has threatened in writing (or, to the Company's knowledge, orally) to reduce its volume of business with the Company, or (iv) has sought to change the amount payable to the Company in connection with the Company's services. To the knowledge of the Company, no such Customer has been declared bankrupt or is subject to any bankruptcy proceeding.

4.25 Home Health Services Business.

(a) The billing arrangements pursuant to which the Acquired Companies receive payment for services in connection with their business operations are identified in Section 4.25(a) of the Disclosure Schedule (the "Billing Arrangements"). Other than the Billing Arrangements, neither Acquired Company participates in or receives reimbursement under, and does not maintain current provider agreements or numbers with, any Government Program or Private Program.

(b) All material reports, invoices and documentation required to be filed with respect to the Billing Arrangements have been timely filed or filed within the grace periods permitted under the applicable Billing Arrangements, and all such reports, invoices and documentation are complete and accurate in all material respects and have been prepared in accordance with all contract requirements and applicable Laws and Legal Requirements. Neither Acquired Company (i) has claimed or received reimbursements from Billing Arrangements in excess of amounts permitted by Law or Legal Requirements, (ii) has or received any notice of any liability under any Billing Arrangement for any refund, overpayment, discount or adjustment, other than ordinary course adjustments and refunds, none of which remain outstanding or were material in the aggregate, (iii) has, during the past six (6) years, received written (or, to the Company's knowledge, oral) notice of any Action pending or recommended by any Governmental Authority to terminate the participation of such Acquired Company or such third party in any Billing Arrangements, or (iv) is a party to any audit being conducted by any Governmental Authority, recovery audit contractor or other Person, nor has such Acquired Company received any written (or, to the Company's knowledge, oral) notice that any such audits are planned. The Acquired Companies' respective systems and software used in connection with all requests for reimbursement and related underlying information complies with all rules, regulations, policies and procedures applicable to such Billing Arrangements.

(c) All of the Acquired Companies' respective professional staff are listed in Section 4.25(c) of the Disclosure Schedule. All such staff are qualified and, to the extent required by any applicable Governmental Authority, certifying body, licensing agency, professional organization or Billing Arrangement, are licensed, registered, or certified, as applicable, to practice without restriction or limitation in such capacity in the Commonwealth of Massachusetts and, to the Company's knowledge, none are employed by a third-party home health service agency.

The Health Care Representations are the sole and exclusive representations and warranties in this Agreement concerning health care matters.

4.26 Miscellaneous.

(a) The Distribution Schedule is true and correct and accurately sets forth the amount of Aggregate Closing Consideration to be paid to the payees of the Seller Transaction Expenses, including the amounts owing to the recipients of the Change of Control Payments.

(b) Section 4.26(b) of the Disclosure Schedule contains a list of the current members of the governing board and officers of each Acquired Company.

(c) The Acquired Companies have made available to Buyer true and correct copies of all cybersecurity policies and procedures maintained by them. Except as set forth on Section 4.26(c) of the Disclosure Schedule, the Acquired Companies are in compliance with such policies and procedures in all material respects and no material violations or breaches thereof have occurred during the three (3)-year period preceding the date hereof.

(d) There is no contract, lease, agreement of either Acquired Company that contains a covenant not to compete, nor is there any Order binding on either Acquired Company that prohibits such Acquired Company from competing with another Person.

4.27 No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 3 OR 4 OF THIS AGREEMENT, NEITHER THE ACQUIRED COMPANIES NOR SELLER MAKE ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND THE ACQUIRED COMPANIES AND SELLER HEREBY DISCLAIM ANY SUCH REPRESENTATION OR WARRANTY, WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. BUYER WILL ACQUIRE THE ACQUIRED COMPANIES WITHOUT ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IN AN "AS IS" CONDITION AND ON A "WHERE IS" BASIS, EXCEPT AS OTHERWISE EXPRESSLY REPRESENTED OR WARRANTED IN ARTICLE 4 OF THIS AGREEMENT.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller and the Company as follows as of the date hereof and as of the Closing Date:

5.01 Organization and Corporate Power. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to enter into this Agreement and perform its obligations hereunder.

5.02 Authorization; Execution and Delivery; Valid and Binding Agreement. The execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action on the part of Buyer, and no other proceedings on Buyer's part are necessary to authorize the execution, delivery or performance of this Agreement by Buyer, except any such authorizations, consents, approvals, exemptions or other actions required under any applicable antitrust or competition Laws or as may be required under the applicable requirements of antitrust, competition or other similar laws and judicial doctrines of jurisdictions other than the United States. This Agreement has been duly executed and delivered by Buyer and assuming that this Agreement is a valid and binding obligation of Seller and the Acquired Companies, this Agreement constitutes a valid and binding obligation of Buyer, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium Laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

5.03 No Breach. Except as set forth on Schedule 5.03 of the Disclosure Schedule, Buyer is not subject to or obligated, to the extent applicable, under its certificate or articles of incorporation, its bylaws or other applicable governing documents, any applicable Law, any material agreement or instrument or any Permit or Governmental Order which would be breached or violated in any material respect by its execution, delivery or performance of this Agreement.

5.04 Consents. Except as set forth on Schedule 5.04 of the Disclosure Schedule and for the applicable requirements of any applicable anti-trust or competition Laws, if any, Buyer is not required to submit any notice, report or other filing with any Governmental Authority in connection with the execution, delivery or performance by it of this Agreement or the consummation of the transactions contemplated hereby. Except as set forth on Schedule 5.04 of the Disclosure Schedule, no consent, approval or authorization of any Governmental Authority or any other Person is required to be obtained by Buyer in connection with its execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

5.05 Litigation. There are no actions, suits or proceedings pending or, to Buyer's knowledge, threatened against or affecting Buyer at law or in equity, or before or by any Governmental Authority, which would adversely affect Buyer's performance under this Agreement or the consummation of the transactions contemplated hereby. Buyer is not subject to any outstanding Governmental Order, which would adversely affect Buyer's performance under this Agreement or the consummation of the transactions contemplated hereby.

5.06 Brokerage. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Buyer.

5.07 Investment Representation. Buyer is acquiring the Units and the Interests for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of any federal or state securities Laws. Buyer is an "accredited investor" as defined in Regulation D promulgated by the U.S. Securities and Exchange Commission under the Securities Act. Buyer acknowledges that the neither the Units nor the Interests have been registered under the Securities Act of 1933, as amended, or any state or foreign securities Laws and that the Units and the Interests may not be sold, transferred, offered for sale, assigned, pledged, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the Securities Act and the Units and the Interests are registered under any applicable state or foreign securities Laws or sold pursuant to an exemption from registration under the Securities Act as amended, and any applicable state or foreign securities Laws.

5.08 Sufficient Funds. Amedisys has, on the date hereof, the financial capability and sufficient cash on hand or other sources of immediately available funds necessary to consummate the transactions contemplated by this Agreement on the terms and subject to the conditions set forth herein, and will have all such financial capability and cash on hand or sources of funds as of the Closing Date.

5.09 Solvency. Upon consummation of the transaction contemplated hereby, Buyer and its Subsidiaries, including the Acquired Companies, will not (a) be insolvent or left with unreasonably small capital, (b) have incurred debts beyond their ability to pay such debts as they mature or (c) have liabilities in excess of the reasonable market value of their assets.

5.10 No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 5 OF THIS AGREEMENT, BUYER DOES NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND BUYER HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY, WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

ARTICLE 6

CERTAIN PRE-CLOSING COVENANTS

6.01 Conduct of the Business. During the period from the date of this Agreement until the Closing or the earlier termination of this Agreement pursuant to Section 8.01, except as set forth in Schedule 6.01, contemplated by this Agreement (including with respect to the Reorganization) or consented to in writing by Buyer, (a) the Company and EHO will each use its commercially reasonable efforts to carry on its business in the ordinary course of business and substantially in the same manner as heretofore conducted (b) neither the Company nor EHO will take any action which, if taken after November 30, 2015, would be required to be disclosed in Section 4.06 of the Disclosure Schedule, and (c) Seller will not cause or permit AHC Holdco to undertake any actions or incur any obligations or liabilities other than in connection with the Reorganization. Additionally, during the period from the date of this Agreement until the Closing or the earlier termination of this Agreement pursuant to Section 8.01, neither the Company nor EHO will:

(i) make any non-cash dividend or distribution on the Units or Interests;

(ii) make or change any material Tax election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the Tax liability of the Acquired Companies for any period ending after the Closing Date;

(iii) adopt a complete or partial plan of liquidation or resolutions authorizing or providing for such a liquidation or dissolution, consolidation, recapitalization, reorganization or bankruptcy, or make a general assignment for the benefit of creditors;

(iv) cause or permit any material modification to be made to any of the Company Intellectual Property owned by the Company, other than maintenance and security-related modifications made in the ordinary course of business; or

(v) agree or otherwise commit to take any of the actions prohibited by the foregoing clauses (i) through (iv).

6.02 Access to Books and Records. During the period from the date of this Agreement until the Closing Date or the earlier termination of this Agreement pursuant to Section 8.01, each of the Company and EHO will provide Buyer and its authorized representatives ("Buyer's Representatives") with access to (a) the offices, properties, contracts, books and records of the Acquired Companies as reasonably requested by Buyer in order for Buyer to have the opportunity to make such investigation as it reasonably desires to make of the affairs of the Acquired Companies (except that Buyer will conduct no physically invasive sampling or testing, including soil or groundwater sampling, without the prior written consent of the Company (not to be unreasonably withheld, conditioned or delayed)) and (y) all officers and management-level employees of the Company for discussion of the business operations and personnel of the Acquired Companies; provided, however, in each case, such access shall be provided only during normal business hours upon reasonable advance notice to the Acquired Companies, under the supervision of the Company's personnel and in such a manner as not to interfere with the normal operations of such Acquired Company. All requests by Buyer or Buyer's Representatives for access pursuant to this Section 6.02 shall be submitted or directed exclusively to Seller, Bigelow, LLC or such other individuals as the Company may designate in writing from time to time. Notwithstanding anything to the contrary in this Agreement, (a) the Acquired Companies will not be required to disclose any information to Buyer or Buyer's Representatives if such disclosure would (i) jeopardize any attorney-client or other legal privilege or (ii) contravene any applicable Laws, fiduciary duty or agreement entered into prior to the date hereof and (b) prior to the Closing Date, without the prior written consent of the Company (not to be unreasonably

withheld, conditioned or delayed), neither Buyer nor any of Buyer's Representatives shall contact or cause to be contacted any customers of the Company concerning the transactions contemplated hereby. Buyer acknowledges that it is and remains bound by the Non-Disclosure Agreement, dated August 17, 2015, between Amedisys and Bigelow, LLC, as agent for the Company (the "Confidentiality Agreement"), and that Buyer shall cause Buyer's Representatives to abide by the terms of the Confidentiality Agreement.

6.03 Third-Party Consents. The Company and EHO shall give all notices to, and use commercially reasonable efforts to obtain all consents from, all third parties that are listed in Schedule 6.03 attached hereto (the "Acquired Company Third Party Consents").

6.04 Conditions. Each of the Company, EHO and Seller shall use commercially reasonable efforts to cause the conditions set forth in Section 2.02 hereof to be satisfied and to consummate the transactions contemplated hereby as soon as reasonably practicable after the satisfaction of the conditions set forth in Article 2 (other than those to be satisfied at the Closing). Buyer shall use commercially reasonable efforts to cause the conditions set forth in Section 2.03 to be satisfied and to consummate the transactions contemplated hereby as soon as reasonably practicable after the satisfaction of the conditions set forth in Article 2 (other than those to be satisfied at the Closing).

6.05 Notification; Interim Breaches.

(a) During the period from the date of this Agreement until the Closing or the earlier termination of this Agreement pursuant to Section 8.01, the Company, EHO or Seller shall disclose to Buyer in writing (in the form of updates to the Disclosure Schedule) any development, fact or circumstance arising after the date hereof that would result in any of the representations and warranties contained in Article 3 or 4 hereof to no longer be true and correct and of any breach of the covenants in this Agreement made by the Company, EHO or Seller; provided that, except as expressly provided below in this Section 6.05(a), such updates shall not be deemed to amend the Disclosure Schedule or qualify or cure the related representations and warranties of the Company, EHO and Seller herein. With respect to any update that relates solely to actions, occurrences, facts, developments or events that (i) both arises and becomes known to the Company after the date hereof and would have been required or permitted to be set forth or described in the Disclosure Schedule had such matter existed as of the date hereof, (ii) does not arise from a breach of this Agreement, and (iii) either (A) is not material to the Acquired Companies, taken as a whole, or (B) arises out of or is attributable to any item described in parts (i) through (viii) of the definition of "Material Adverse Effect", the update shall be deemed to amend the Disclosure Schedule and qualify and cure the representations and warranties of the Company, EHO and Seller herein ("Immaterial Interim Breaches"). During the period from the date of this Agreement until the Closing or the earlier termination of this Agreement pursuant to Section 8.01, the Acquired Companies shall be permitted to amend Section 4.10(a) (solely with respect to the representations set forth in clauses (x), (xi) or (xii) of Section 4.10(a)), Section 4.15(b) (solely with respect to the representation set forth in the first sentence of Section 4.15(b)), Section 4.23(b) (solely with respect to the representation set forth in clause (A) of Section 4.23(b)), Section 4.23(i) (solely with respect to the representation set forth in the second sentence of Section 4.23 (i)) and Section 4.26(b) of the Disclosure Schedule to reflect any development, fact or circumstance arising after the date hereof in the ordinary course

of business, consistent with past practice, that would cause the disclosure in any such schedule to be inaccurate or incomplete (subject to the Company's compliance with Section 6.01, to the extent applicable), and in each case any such amendment shall qualify and cure the representations and warranties of the Company, EHO and Seller herein (each, a "Permitted Schedule Amendment"). Any other updates to the Disclosure Schedule shall not be deemed to amend the Disclosure Schedule, shall be made without effect to or qualification or cure of any of the related representations and warranties of the Company, EHO and Seller contained in this Agreement, and shall have no effect on the right of the Buyer Indemnitees to indemnification pursuant to Section 9.02.

(b) If there are any Interim Breaches, Buyer shall, acting reasonably and in good faith following consultation with Seller, determine the amount of Losses reasonably expected to result from such Interim Breaches (collectively, "Interim Breach Losses"). If the aggregate amount of Interim Breach Losses so determined exceeds $2,000,000 (exclusive of all fees and costs of legal or other advisors expected to be incurred by Buyer in connection with such Interim Breaches), the parties acknowledge and agree that such Interim Breaches shall constitute a deemed Material Adverse Effect solely for purposes of Section 2.02(a). At the Closing, in accordance with Section 1.01 hereof, the aggregate amount of Interim Breach Losses for which Seller is or may be responsible hereunder, as specified in Sections 9.02(b)(iii), 9.02(b)(v), and 9.02(c)(iii) hereof, shall be deposited by Buyer with the Escrow Agent to be held and disbursed pursuant to the terms of this Agreement and the Escrow Agreement; provided, however, it is understood and agreed that the aggregate amount to be deposited by Buyer to the Escrow Agent pursuant to this Section 6.05(b) shall not exceed the amount of $750,000 (such amount, as applicable, the "Interim Breach Loss Escrow Amount"), it being understood and agreed that any additional Interim Breach Losses for which Seller is responsible hereunder shall be recoverable only directly from Seller (subject to the provisions of Article 9) or pursuant to Section 9.02(d).

(c) If there are any Interim Breaches and Buyer, acting reasonably and in good faith following consultation with Seller, determines the aggregate amount of Interim Breach Losses reasonably expected to result from such Interim Breaches exceeds $2,000,000 (exclusive of all fees and costs of legal or other advisors expected to be incurred by Buyer in connection with such Interim Breaches) and, based thereon, exercises its right to terminate this Agreement pursuant to Section 8.01(b), (i) any claim by Seller alleging that the aggregate amount of Interim Breach Losses reasonably expected to result from such Interim Breaches do not exceed $2,000,000 shall be resolved in accordance with Section 11.20, and (ii) there shall be no presumption under Section 11.20 in favor of Buyer with respect to the determination of the aggregate amount of Interim Breach Losses reasonably expected to result from such Interim Breaches.

6.06 Exclusivity. In consideration of the substantial expenditure of time, effort and expense undertaken by Buyer in connection with its due diligence review of the Acquired Companies and their respective businesses and the preparation and negotiation of this Agreement, from and after the date of this Agreement until the Closing or the earlier termination of this Agreement pursuant to Section 8.01, none of the Company, EHO or Seller, nor will they permit any of their respective Affiliates, directors, officers, employees, members, managers, shareholders, advisors, representatives or other agents, to, directly or indirectly, initiate, solicit,

negotiate, discuss, knowingly encourage or enter into any negotiations, discussions or agreement with respect to, or provide any information to any third party with respect to, the potential sale of the Acquired Companies or any portion thereof or a substantial interest therein, or any other transaction that would be inconsistent with the transactions contemplated hereby, in any case whether by sale of assets or equity, merger, recapitalization, reorganization or other transaction. If, from the date of this Agreement until the Closing or the earlier termination of this Agreement, the Company, EHO, Seller or any of the other Persons referenced above receives an offer or proposal relating to any acquisition of the business of the Acquired Companies, such Person shall notify Buyer of the receipt of such offer and, unless otherwise prohibited by the terms of a confidentiality agreement in existence as of the date hereof, the terms of the offer and the identity of the offeror.

6.07 Regulatory Filings.

(a) Buyer shall, as promptly as possible and at Buyer's cost and expense (including filing fees), use its best efforts to obtain or cause to be obtained all consents, authorizations, orders, approvals or clearances from, and make or cause to be made all declarations, filings or notices with, all Governmental Authorities that are required by Law for the consummation of the transactions contemplated hereby (including such filings as are necessary or advisable in any jurisdiction in order to comply with all applicable Laws relating to competition, merger control or antitrust), provided that each party shall provide such reasonable cooperation as may be requested by the other party in seeking to obtain any such consents, authorizations, orders, approvals and clearances or in making any such declarations, filings or notices.

(b) The parties agree to comply with any additional requests for information, including requests for production of documents and production of witnesses for interviews or depositions by any Governmental Authorities.

(c) Buyer will keep the Company apprised of the status of all filings and submissions referred to in Section 6.07(a), including promptly furnishing the Company with copies of notices or other communications received by Buyer in connection therewith. Buyer will not permit any of its officers, employees or other representatives or agents to participate in any meeting with any Governmental Authority in respect of such filings and submissions unless it consults with the Company in advance and, to the extent permitted by such Governmental Authority, gives the Company the opportunity to attend and participate thereat.

(d) If any administrative or judicial action or proceeding is instituted (or threatened to be instituted) to prohibit the transactions contemplated by this Agreement, the parties will use their respective best efforts to avoid the institution of any such action or proceeding and to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any temporary, preliminary or permanent decree, judgment, injunction or other order that is in effect and that prohibits, prevents, delays or restricts consummation of the transactions contemplated hereby (it being understood that the foregoing obligation of the parties will cease in the event a permanent decree, judgment, injunction or other order is issued or is in effect that is non-appealable and prohibits, prevents, delays or restricts consummation of the transactions contemplated hereby).

6.08 Employment Matters. From the date hereof to the Closing Date or the earlier termination of this Agreement pursuant to Article 8 hereof, the Company shall provide Buyer the opportunity reasonably requested by it to contact and have access to the Employees for pre-Closing introductions and training sessions, provided that neither Buyer nor any of its Affiliates shall contact any Employee without prior notice to and consent of the Company (which consent may be provided by any of Seller, Nancy Aldrich, or Doug May, orally or by any written means, including e-mail), and to the extent such contact involves a meeting between Buyer (or any Affiliate) and an Employee, the Company shall be entitled to have a representative present at any such meeting and pre-approve, in its sole discretion, the contents of any discussions with Employees.

6.09 Miscellaneous.

(a) *Financial Statements.* From the date hereof until the Closing Date, the Acquired Companies shall provide monthly financial statements for the Acquired Companies and year-to-date financial statements for the Acquired Companies, prepared in accordance with GAAP consistent with the Acquired Companies' past practices, as such financial statements are prepared by the Acquired Companies in the ordinary course consistent with past practice, together with the related trial account balances and such other financial information as may be reasonably requested by Buyer.

(b) *Maintenance of Insurance.* From the date hereof until the Closing Date, the Acquired Companies shall maintain insurance coverage for their respective operations no less favorable than the insurance coverages for them in effect as of the date hereof.

(c) *Employees.* Prior to the Closing and to the extent permitted by Law, the Company agrees to provide to Buyer information and access reasonably requested by it necessary to proceed with its pre-Closing integration processes. Prior to the Closing, Buyer shall be permitted to perform routine security testing of the networks of the Acquired Companies at such times and on such terms as Buyer and Seller may mutually agree; provided, that no integration shall occur before the Closing without Seller's consent. The Company shall, at least three (3) Business Days prior to the Closing, provide Buyer with a schedule setting forth the information required to be set forth on the schedule delivered pursuant to the first sentence of Section 4.18 with respect to each officer, employee and independent contractor of the Acquired Companies employed or engaged by either Acquired Company as of February 16, 2016.

(d) *Bank Accounts*. At least three (3) Business Days prior to the Closing, EHO and the Company shall deliver to Buyer all documentation required to change authorizations for the accounts identified on Section 4.21 of the Disclosure Schedule to the individuals designated by Buyer, with such documentation to be held in escrow by Buyer until expressly released by the Company at the Closing.

(e) *Terminated Contracts*. At or prior to the Closing, the Company shall cause the contracts set forth on Schedule 6.09(e) to be terminated and of no further force or effect effective as of the Closing.

(f) *Reorganization*. Seller shall promptly undertake such steps and execute, deliver and file, or cause the execution, delivery and filing of, the Reorganization Documents and such other documents necessary to complete the Reorganization prior to the Closing, all such steps and documents to be undertaken in consultation with, and subject to the reasonable approval of, Buyer.

(g) *402 Grove Street Realty*. The Company shall use commercially reasonable efforts to seek to obtain from 402 Grove Street Realty and deliver to Buyer prior to the Closing, with respect to the Lease by and between 402 Grove Street Realty and the Company, dated May 13, 2014, for the premises located at 400 Grove Street, Worcester, Massachusetts, a waiver of its right to terminate the Lease in connection with the consummation of the transactions contemplated by this Agreement.

ARTICLE 7

POST-CLOSING COVENANTS

7.01 Access to Books and Records. From and after the Closing, Buyer shall, and shall cause the Company to, provide Seller and its authorized representatives with reasonable access, during normal business hours, to the personnel, books and records (for the purpose of examining and copying at Seller's expense) of the Acquired Companies with respect to periods or occurrences prior to the Closing Date in connection with any matter, whether or not relating to or arising out of this Agreement or the transactions contemplated hereby. From and after the Closing, Buyer shall maintain the books and records of the Acquired Companies relating to periods prior to the Closing Date in accordance with the record retention policy of Amedisys as previously provided to Seller, as such record retention policy may be amended from time to time by Amedisys. In the event of any litigation or threatened litigation between the parties relating to this Agreement or the transactions contemplated hereby, the covenants contained in this Section 7.01 shall not be considered a waiver by any party of any right to assert the attorney-client privilege. From and after the Closing, Buyer will cause the Acquired Companies to maintain a records retention policy substantially consistent with the record retention policy of Amedisys as previously provided to Seller, as such record retention policy may be amended from time to time by the Acquired Companies.

7.02 Employment Matters.

(a) It is Buyer's intention that following the Closing the Employees shall continue to be eligible for benefits and compensation that are substantially similar to that provided them prior to Closing. Effective as of the Closing and continuing through December 31, 2017, Buyer intends to cause the Acquired Companies to contribute annually towards the cost of an Employee's health coverage no less than $3,900 for Employee only coverage and no less than $5,400 for family coverage. Following the Closing, Buyer shall cause the Acquired Companies to permit the Employees to utilize their respective vacation and paid time off benefits accrued prior to the Closing, in accordance with the past practices of the Acquired Companies; provided, however, following the Closing, in no event shall Buyer be required to cause the Acquired Companies to continue the same vacation and paid time off policies maintained by the Acquired Companies prior to the Closing.

(b) With respect to any employee benefit plan maintained by Buyer or any of its Affiliates (collectively, "Buyer Employee Benefits Plans") that Employees participate in after the Closing, if any, to the extent permitted by the related Buyer Employee Benefit Plans, (i) Buyer shall, or shall cause its Affiliates to, recognize all service of the Employees prior to the Closing ("Pre-Closing Company Service") as if such service were with Buyer or its Affiliates, for vesting and eligibility purposes in such Buyer Employee Benefit Plans.

(c) With respect to any Buyer Employee Benefit Plans providing for, medical, dental and vision benefits in which the Employees participate after the Closing, if any, Buyer shall, to the extent permitted by the related Buyer Employee Benefit Plans, (i) waive or cause to be waived any exclusionary provisions, waiting period, proof of insurability requirements and pre-existing condition limitations to the extent the same are not applicable under the related Buyer Employee Benefit Plans prior to the Closing; and (ii) credit or cause to be credited the Employees for all deductible expenses incurred by the Employees under the comparable Buyer Employee Benefit Plan in the year in which the Closing occurs, provided such expenses would have been covered expenses under Buyer Employee Benefit Plan.

(d) Buyer shall assure that a sufficient number of Employees shall remain employed by the Acquired Companies for at least a 90-day period following the Closing so as not to constitute a "plant closing" or "mass layoff" (as those terms are used in the Worker Adjustment and Retraining Notification Act, 29 U.S. Stat. § 2101 et. seq.).

(e) All Employees that are retained will be as employees-at-will (except for those Employees, if any, who are parties to written contracts disclosed on Section 4.18 of the Disclosure Schedule providing for other employment terms, in which case such Employees shall be retained in accordance with the respective terms of such contracts). For the avoidance of doubt, the parties agree that Buyer shall have no obligation to permit any of the Employees to participate in any of the Buyer Employee Benefit Plans.

(f) This Section 7.02 shall be binding upon and inure solely to the benefit of each of the parties, and nothing in this Section 7.02, express or implied, shall confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Section 7.02. Nothing contained herein, express or implied, shall be construed to establish, amend or modify any Plans, including any benefit plan, program, agreement or arrangement. The parties acknowledge and agree that the terms set forth in this Section 7.02 shall not create any right in any Employee or any other Person to any continued employment with the Company, Buyer or any of their respective Affiliates or compensation or benefits of any nature or kind whatsoever, any right of any Employee or any other Person to participate in any Buyer Employee Benefit Plan or any obligation of Buyer or Amedisys to allow any Employee or any other Person to participate in any Buyer Employee Benefit Plan. Nothing in this Agreement shall be deemed to confer upon any Person (nor any beneficiary thereof) any rights under or with respect to any Plans, including any plan, program or arrangement described in or contemplated by this Agreement, and each Person (and any beneficiary thereof) shall be entitled to look only to the express terms of any such plan, program or arrangement for his or her rights thereunder.

ARTICLE 8

TERMINATION

8.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Buyer and Seller;

(b) by Buyer, if there has been a material violation or breach by the Company, EHO or Seller of any covenant, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of Buyer at the Closing and such violation or breach has not been waived by Buyer or, in the case of a covenant breach, cured by the Company, EHO or Seller within ten (10) days after written notice thereof from Buyer;

(c) by Seller, if there has been a material violation or breach by Buyer of any covenant, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of Seller at the Closing and such violation or breach has not been waived by Seller or, in the case of a covenant breach, cured by Buyer within ten (10) days after written notice thereof by Seller (provided that neither a breach by Buyer of Section 5.08 nor the failure to deliver the full consideration payable pursuant to Article 1 at the Closing as required hereunder will be subject to cure hereunder unless otherwise agreed to in writing by Seller);

(d) by either Party if any Governmental Authority having competent jurisdiction has issued a final and non-appealable order, decree or ruling permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement; provided that the right to terminate this Agreement pursuant to this Section 8.01(d) shall not be available to any party whose breach of any provision of this Agreement results in such order, decree or ruling; or

(e) by either Buyer or Seller if the transactions contemplated hereby have not been consummated by 5:00 p.m., Boston time on April 1, 2016, provided that, neither Buyer nor Seller will be entitled to terminate this Agreement pursuant to this Section 8.01(e) if such Person's knowing or willful breach of this Agreement has prevented the consummation of the transactions contemplated hereby.

8.02 Effect of Termination. In the event of the termination of this Agreement by either Buyer or Seller as provided above, the provisions of this Agreement will immediately become void and of no further force or effect (other than this Section **Error! Reference source not found.** and Article 11, which will survive the termination of this Agreement in accordance with their terms; provided, however, that the last sentence of Section 6.02, and the Confidentiality Agreement referred to therein, will survive the termination of this Agreement for a period of three (3) years following the date of such termination (and, notwithstanding anything contained in this Agreement or the Confidentiality Agreement to the contrary, the Confidentiality Agreement term will be automatically amended to be extended for such additional three (3) year period)), and there will be no liability on the part of any of Buyer, the Company, EHO or Seller to one another, except for knowing and willful breaches of the covenants contained in this Agreement prior to the time of such termination (as such breaches are determined in accordance with Section 11.20).

ARTICLE 9

ADDITIONAL COVENANTS AND AGREEMENTS

9.01 Survival. The representations and warranties contained in Articles 3, 4, and 5 will survive the Closing and will terminate on the date that is eighteen (18) months after the Closing Date, provided, however, the representations and warranties set forth in (i) Section 3.01 (Corporate Power), Section 3.02 (Authorization; Execution and Delivery), Section 3.04 (Ownership), Section 3.05 (Brokerage), Section 4.01 (Organization and Corporate Power), Sections 4.03(a), 4.03(b) and 4.03(c) (Authorization; Execution and Delivery; Valid and Binding Agreement), Section 4.04 (Capital Stock), Section 4.09 (Tax Matters), Section 4.13 (Employee Benefit Plans), Section 4.16 (Environmental Compliance and Conditions), Section 4.18 (Employment and Labor Matters), Section 4.20 (Brokerage), Section 4.23 (Healthcare Matters) and Section 4.25 (Home Health Services Business) (collectively, the "Fundamental Representations") and (ii) Section 5.01 (Corporate Power), Section 5.02 (Authorization; Execution and Delivery; Valid and Binding Agreement) and Section 5.06 (Brokerage) shall survive until 11:59 PM on the date that is three (3) years after the Closing Date. The covenants contained in Articles 6 and 7 will terminate on the Closing Date unless a specific covenant contained in Article 6 or Article 7 requires performance after the Closing Date, in which case such covenant will survive for such periods required thereby. The covenants and agreements set forth in Articles 9, 10 and 11 will survive in accordance with the terms thereof.

9.02 Indemnification of Buyer.

(a) From and after the Closing (but subject to the terms and conditions of this Article 9), Seller will indemnify Buyer and its Affiliates (which, following the Closing, shall include the Acquired Companies), and their respective officers, directors, employees and agents (collectively the "Buyer Indemnitees"), against and hold them harmless from any actual losses, obligations, assessments, fines, penalties, costs, expenses, liabilities and damages, including interest, penalties, reasonable attorneys', consultant, expert and other professional fees, court costs, investigation and remediation costs, compliance costs, and amounts paid in settlements (hereinafter individually a "Loss" and collectively "Losses") suffered or incurred by any Buyer Indemnitee to the extent such Loss results from:

(i) any breach of any representation or warranty of Seller contained in Article 3 or the Company or EHO contained in Article 4, or any Interim Breach, in each case taking into account any amendment of the Disclosure Schedule duly made pursuant to Section 6.05(a); or

(ii) any breach of any covenant of Seller contained in this Agreement requiring performance by Seller after the Closing; or

(iii) the failure of any portion of the Seller Transaction Expenses or the Indebtedness of the Acquired Companies outstanding as of the Closing to be paid at Closing other than as a result of Buyer's breach of this Agreement.

(b) Notwithstanding anything to the contrary set forth in this Agreement, but subject to the other provisions of this Article 9, even if a Buyer Indemnitee would otherwise be entitled to recover a Loss pursuant to this Agreement:

(i) no Buyer Indemnitee will be entitled to any indemnification for a Loss hereunder if, with respect to any individual item of Loss, such item is less than Ten Thousand Dollars ($10,000) ("Minor Claim"), provided that in the event that the aggregate amount of such Minor Claims equals or exceeds $50,000, the provisions of this Section 9.02(b)(i) shall no longer be applicable and any and all such Losses incurred by the Buyer Indemnitees from the first dollar shall be subject to the other provisions of this Article 9;

(ii) no Buyer Indemnitee will be entitled to any indemnification hereunder in respect of any breaches of any of the representations and warranties set forth in Article 3 or 4 unless the aggregate amount of all Losses (excluding Minor Claims to the extent the aggregate amount of Minor Claims is less than $50,000) arising therefrom exceeds on a cumulative basis an amount equal to $280,000 (the "Deductible"), and then only to the extent such Losses exceed the Deductible; provided, however, the Deductible shall not be applicable to any breach or breaches of any Fundamental Representations (which, for the avoidance of doubt, include the Excluded Matters) or Losses arising from Interim Breaches;

(iii) (A) except with respect to Interim Breach Losses arising from breaches of Fundamental Representations, (1) no Buyer Indemnitee shall be entitled to any indemnification hereunder in respect of any Interim Breach unless the aggregate amount of all Interim Breach Losses exceeds $280,000 (the "Interim Breach Deductible"), and then only to the extent such Interim Breach Losses exceed the Interim Breach Deductible, and (2) thereafter, Seller shall be solely liable for any Interim Breach Losses in excess of the Interim Breach Deductible, up to an aggregate amount of $280,000, and (B) with respect to Interim Breach Losses arising from breaches of Fundamental Representations, the Interim Breach Deductible shall not be applicable and Seller shall be solely liable for such Interim Breach Losses, up to an aggregate amount of $560,000 (with any Interim Breach Losses in excess of $560,000 being subject to the terms of Section 9.02(b)(vii) and Section 9.02(c)(iii));

(iv) other than Losses arising from Interim Breaches and Losses arising from any breach or breaches of any Fundamental Representations, the aggregate liability of Seller for all Losses in respect of any breaches of any of the representations and warranties set forth in Articles 3 and 4 shall not exceed an amount equal to $140,000;

(v) except as hereinafter provided in this Section 9.02(b)(v), the aggregate liability of Seller for Losses arising from any breach or breaches of any Fundamental Representations, together with any Losses in respect of any breaches of any of the representations and warranties set forth in Articles 3 and 4 other than the Fundamental Representations and Interim Breaches, shall not exceed $420,000; provided however, that notwithstanding the foregoing, (A) the aggregate liability of Seller for all Losses arising from any breach or breaches of the Health Care Representations for which coverage is provided solely pursuant to the Ironshore Policy (the "Ironshore Covered Health Care Representations") shall not exceed $500,000 and (B) the aggregate liability of Seller for all Losses arising from any and all Excluded Matters shall not exceed $500,000;

(vi) other than Losses arising from Interim Breaches, the aggregate liability of Seller for all Losses in respect of any breaches of the representations and warranties set forth in Articles 3 and 4, including with respect to any and all breaches of the Ironshore Covered Health Care Representations and the Excluded Matters, shall not exceed $1,420,000;

(vii) the aggregate liability of Seller for Losses arising from Interim Breaches shall not exceed $1,000,000; and

(viii) in no event whatsoever shall the aggregate liability of Seller for Losses under this Section 9.02 exceed the sum of the Base Purchase Price plus the aggregate amount of any Contingent Payments actually earned by Seller.

(c) Notwithstanding anything to the contrary in this Agreement, but subject to the other provisions of this Article 9:

(i) other than Losses arising from Interim Breaches and Losses arising from any breach of any Fundamental Representation, any Losses that a Buyer Indemnitee is entitled to recover pursuant to Section 9.02(a)(i) shall be satisfied solely and exclusively (x) first, out of the Indemnity Escrow Fund until the Indemnity Escrow Fund has been fully depleted, as it may be replenished pursuant to Section 9.02(c)(vii) below, provided that, in no event shall the aggregate amount payable by Seller pursuant to this clause (x) exceed $140,000, and (y) second, by submission of claims by Buyer pursuant to the applicable R&W Insurance Policy;

(ii) other than Losses arising from Interim Breaches and Losses described in clauses (iv) and (v) of this Section 9.02(c), any Losses that a Buyer Indemnitee is entitled to recover pursuant to Section 9.02(a)(i) in respect of a breach of a Fundamental Representation shall be satisfied solely and exclusively (x) first, out of the Indemnity Escrow Fund until the Indemnity Escrow Fund has been fully depleted, as it may be replenished pursuant to Section 9.02(c)(vii) below, (y) second, directly from Seller or pursuant to Section 9.02(d) to the extent necessary to satisfy any remaining self-retention amount pursuant to the applicable R&W Insurance Policy, provided that, in no event shall the aggregate amount payable by Seller pursuant to the foregoing clauses (x) and (y) exceed $420,000, and (z) third, by submission of claims by Buyer pursuant to the applicable R&W Insurance Policy;

(iii) any Losses that a Buyer Indemnitee is entitled to recover pursuant to Section 9.02(a)(i) in respect of any Interim Breaches in excess of $560,000 (inclusive of the Interim Breach Deductible, if applicable) shall be shared fifty percent (50%) each by Buyer and Seller; provided, that the maximum aggregate liability of Seller with respect to Losses arising from Interim Breaches shall not exceed $1,000,000 and any Losses in excess thereof shall be borne solely by Buyer and any recovery from Seller shall be satisfied (x) first, from the Interim Breach Loss Escrow Amount and (y) second, directly from Seller or pursuant to Section 9.02(d);

(iv) any Losses that a Buyer Indemnitee is entitled to recover pursuant to Section 9.02(a)(i) in respect of any breach of an Ironshore Covered Health Care Representation (other than any Excluded Matter included therein) shall be satisfied solely and exclusively (x) first, out of the Indemnity Escrow Fund until the Indemnity Escrow Fund has been fully depleted, as it may be replenished pursuant to Section 9.02(c)(vii) below, (y) second, directly from Seller or pursuant to Section 9.02(d) to the extent necessary to satisfy any remaining self-retention amount pursuant to the applicable R&W Insurance Policy, provided that in no event shall the aggregate liability of Seller pursuant to clauses (x) and (y) exceed $500,000, and (z) third, by submission of claims by Buyer pursuant to the applicable R&W Insurance Policy;

(v) any Losses that a Buyer Indemnitee is entitled to recover pursuant to Section 9.02(a)(i) in respect of any Excluded Matter shall be satisfied solely and exclusively (x) first, out of the Excluded Matter Escrow Fund until the Excluded Matter Escrow Fund has been fully depleted, (y) second, out of the Indemnity Escrow Fund until the Indemnity Escrow Fund has been fully depleted, as it may be replenished pursuant to Section 9.02(c)(vii) below, and (z) third, directly from Seller or pursuant to Section 9.02(d), provided that in no event shall the aggregate liability of Seller for any such Losses exceed $500,000, with any Losses in excess thereof to be borne solely by Buyer;

(vi) any Losses that a Buyer Indemnitee is entitled to recover pursuant to Section 9.02(a)(ii) or 9.02(a)(iii) shall be recovered directly from Seller or pursuant to Section 9.02(d); and

(vii) in the event the Indemnity Escrow Fund is depleted, in whole or in part, from time to time, in connection with a Buyer Indemnitee's recovery of Losses pursuant to Sections 9.02(c)(iv) or 9.02(c)(v) above, Seller shall promptly deliver to the Escrow Agent, for deposit into the Indemnity Escrow Fund, immediately available funds in such amount as is required to replenish the Indemnity Escrow Fund to the Indemnity Escrow Amount; provided, however, in no event shall Seller's obligation to replenish the Indemnity Escrow Fund exceed $140,000.

(d) To the extent permitted by this Article 9 and subject to the order of recovery, caps and other conditions and limitations specified therein, as applicable, Buyer shall have the right, in its sole and absolute discretion, to set-off, reduce, offset or, in the case of clause (B), withhold any Contingent Payment owed by Buyer under this Agreement to Seller by the amount of any Losses (A) finally determined or agreed upon pursuant to the terms of this Agreement to be payable by Seller or (B) asserted by Buyer, reasonably and in good faith, after

consultation with Seller, to be payable by Seller but unresolved as of the date the Contingent Payment would otherwise be due; provided, however, (i) should the amount to be withheld pursuant to clause (B) (the "Withheld Amount") equal or exceed $100,000, at Seller's action, (x) Buyer shall promptly deposit the Withheld Amount with the Escrow Agent, which will hold, invest and disburse the Withheld Amount in accordance with the Escrow Agreement, if it then remains in effect, or in accordance with another mutually agreeable escrow agreement to be entered into by Buyer, Seller and the Escrow Agent at such time (if the Escrow Agreement is not then in effect), containing terms substantially similar to those set forth in the Escrow Agreement as applicable, and (y) once such Losses are finally determined or agreed upon pursuant to the terms of this Agreement, Buyer and Seller shall deliver a joint written instruction to the Escrow Agent directing it to (1) disburse to Buyer the portion of the Withheld Amount equal to the amount of such Losses payable by Seller, if any, together with the interest accruing thereon under the related escrow agreement, and (2) disburse to Seller the remaining portion of the Withheld Amount, if any, together with the interest accruing thereon under the related escrow agreement; and (ii) in the case of any withholding pursuant to clause (B) in which the Withheld Amount is not deposited with the Escrow Agent, Buyer shall retain the Withheld Amount until such Losses are finally determined or agreed upon pursuant to the terms of this Agreement, at which time (x) Buyer shall have the right to set-off, reduce, or offset against the Withheld Amount the amount of such Losses payable by Seller, if any, and (y) Buyer shall promptly remit to Seller the remaining portion of the Withheld Amount, if any, together with interest accrued thereon at a fixed per annum rate determined at the time of the withholding, equal to the Federal Funds Rate at such time plus three percent (3%), accruing from the date the related Contingent Payment was originally payable until the date paid. Neither the exercise nor the failure to exercise the right set forth in this Section 9.02(d) will constitute an election of remedies or limit Buyer in any manner in the enforcement of any other remedies that may be available to it. Any claim by Seller alleging that the Withheld Amount exceeds the amount that may be payable by Seller hereunder with respect to the unresolved indemnification claim shall be resolved in accordance with Section 11.20, and there shall be no presumption under Section 11.20 in favor of Buyer with respect to the determination of the Withheld Amount.

(e) Any indemnification obligations of Seller pursuant to Section 9.02(a) shall be paid to Buyer or set off pursuant to Section 9.02(d), as the case may be, within thirty (30) days after the final determination thereof or agreement of the parties with respect thereto. Payment of any such amounts shall be effected by wire transfer of immediately available funds from Seller to an account designated in writing by Buyer (on behalf of such Buyer Indemnitee).

(f) All payments or set offs under this Section 9.02 will be treated by the parties as an adjustment to the proceeds received by Seller pursuant to Article 1.

(g) For purposes of determining both (i) whether Seller, the Company or EHO has breached any of its representations and warranties in Articles 3 or 4 and (ii) the amount of Losses suffered or incurred by any Buyer Indemnitee by reason of any such breach, qualifications therein referring to "material", "Material Adverse Effect" and other qualifications of similar import or effect shall be disregarded (but, for the avoidance of doubt, qualifications referring to "Knowledge" or specified dollar amounts or dates or periods shall not be disregarded); provided, however, that this Section 9.02(g) shall have no applicability to Interim Breaches or any of the following: the definition of "Material Contracts," the second sentences of each of Section 4.05 and Section 4.13(a) and the first sentences of each of Sections 4.06, 4.07, and 4.15(b).

9.03 Indemnification of Seller. From and after the Closing (but subject to the provisions of this Article 9), Buyer shall indemnify Seller and its Affiliates, and their respective officers, directors, employees and agents (the "Seller Indemnitees"), against and hold them harmless from any Losses suffered or incurred by any such indemnified party to the extent arising from or related to (a) any breach of any representation or warranty of Buyer contained in Article 5, or (b) any breach of any covenant of Buyer contained in this Agreement requiring performance by Buyer after the Closing or any breach of any covenant of the Company contained in this Agreement requiring performance by the Company after the Closing. All payments under this Section 9.03 will be treated by the parties as an adjustment to the proceeds received by Seller pursuant to Article 1. Any indemnification obligations of Buyer pursuant to this Section 9.03 shall be paid to Seller within thirty (30) days after the final determination thereof or agreement of the parties with respect thereto. Payment of any such amounts shall be effected by wire transfer of immediately available funds from Buyer to an account designated in writing by Seller (on behalf of such Seller Indemnitee).

9.04 Expiration of Claims. The ability of any Person to receive indemnification under Section 9.02 or 9.02(d) will terminate on the applicable survival termination date (as set forth in Section 9.01), unless such Person will have incurred a Loss prior to the termination date and made a proper claim for indemnification pursuant to Section 9.02 or 9.02(d) prior to such termination date, as applicable. If an indemnified party has made a proper claim for indemnification pursuant to Section 9.02 or 9.02(d) prior to such termination date, then such claim for such Loss incurred (and only such claim for such Loss incurred), if then unresolved, will not be extinguished by the passage of the deadlines set forth in Section 9.01. It is the express intent of the parties that, if the applicable survival period of an item as contemplated by Section 9.01 and this Section 9.04 is shorter than the statute of limitations that would otherwise have been applicable to such item, then, by contract, the applicable statute of limitations with respect to such item shall be reduced to the shortened survival period contemplated hereby. The parties further acknowledge that the time periods set forth in Section 9.01 and this Section 9.04 for the assertion of claims under this Agreement are the result of arms'-length negotiation between the parties and that they intend for the time periods to be enforced as agreed by the parties.

9.05 Inter-Party Claims. In order for a party to be entitled to seek any indemnification provided for under this Agreement (such party, the "Claiming Party"), such Claiming Party must notify the other party or parties from whom such indemnification is sought (the "Defending Party") in writing promptly after the occurrence of the event giving rise to such Claiming Party's claim for indemnification, specifying in reasonable detail the basis of such claim, provided that, failure to give such notification will not affect the indemnification provided hereunder except to the extent the Defending Party will have been actually prejudiced as a result of such failure. The Claiming Party will thereupon give the Defending Party reasonable access during normal business hours to the books, records and assets of the Claiming Party which evidence or support such claim or the act, omission or occurrence giving rise to such claim. If the Defending Party disputes its liability with respect to any such claim, the Defending Party and the Claiming Party will proceed to negotiate a resolution of such dispute and, if not resolved through negotiations, such dispute will, subject to the terms of this Agreement, be resolved by litigation in an appropriate court of competent jurisdiction. The Claiming Party will have the burden of proof in establishing the amount of Losses suffered by it.

9.06 Third Party Claims.

(a) In order for a Claiming Party to seek any indemnification provided for under this Agreement in respect of a claim or demand made by any Person against the Claiming Party (a "Third Party Claim"), such Claiming Party must notify the Defending Party in writing, and in reasonable detail, of the Third Party Claim as promptly as reasonably possible after receipt by such Claiming Party of notice of the Third Party Claim, provided that, failure to give such notification on a timely basis will not affect the indemnification provided hereunder except to the extent the Defending Party will have been prejudiced as a result of such failure. Thereafter, the Claiming Party will deliver to the Defending Party, within five (5) Business Days after the Claiming Party's receipt thereof, copies of all notices and documents (including court papers) received by the Claiming Party relating to the Third Party Claim.

(b) If a Third Party Claim is made against a Claiming Party, the Defending Party will be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof with counsel selected by the Defending Party and reasonably satisfactory to the Claiming Party, provided the Defending Party (i) timely notifies the Claiming Party in writing that it has assumed such defense and that it will indemnify the Claiming Party against any Losses arising out of such Third Party Claim (subject to any limitations set forth in this Article 9), (ii) provides evidence of its financial wherewithal to do so, and (iii) diligently uses its commercially reasonable efforts to defend and protect the interests of the Claiming Party with respect to such Third Party Claim. Should a Defending Party so elect to assume the defense of a Third Party Claim, the Defending Party will not be liable to the Claiming Party for legal expenses subsequently incurred by the Claiming Party in connection with the defense thereof. If the Defending Party assumes such defense, the Claiming Party will have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Defending Party, it being understood, however, that the Defending Party will control such defense. In any event, all the parties will use commercially reasonable efforts to cooperate in the defense or prosecution of any Third Party Claim, including by retaining and providing all records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Claiming Party shall not consent to the entry of any judgment or enter into any settlement with respect to any Third Party Claim without the prior written consent of the Defending Party (which consent shall not be unreasonably withheld, conditioned or delayed). The Defending Party shall not consent to the entry of any judgment or enter into any settlement with respect to any Third Party Claim without the prior written consent of the Claiming Party (which consent shall not be unreasonably withheld, conditioned or delayed), unless such settlement (x) requires only the payment of money that the Defending Party is obligated to pay, (y) provides for a full and unconditional release of the Claiming Party without any admission of wrongdoing or liability, and (z) will not materially adversely affect the continued operations of the Claiming Party and its Affiliates. Notwithstanding the foregoing, the Defending Party shall not be entitled to assume or maintain control of the defense of any Third Party Claim if (I) the Third Party Claim is a criminal

proceeding, action, indictment, allegation or investigation, (II) the Defending Party has failed to defend or is failing to defend in good faith the Third Party Claim that is not cured within a reasonable time after receiving written notice from the Claiming Party specifying in reasonable detail the manner in which the Defending Party has so failed or is failing, or (III) the primary relief sought in respect of the Third Party Claim is non-monetary relief (other than a general boilerplate request for such other and further relief as the court deems just and proper). For the avoidance of doubt, the procedures for any Third Party Claims that relate to Taxes shall be governed by the provisions of Section 9.09 and not this Section 9.06.

9.07 Determination of Loss Amount.

(a) The amount of any and all Losses under this Article 9 will be determined net of any amounts actually recovered by any Claiming Party or any of such Claiming Party's Affiliates under or pursuant to any insurance policy, title insurance policy, indemnity, reimbursement arrangement or contract pursuant to which or under which such Claiming Party or such Claiming Party's Affiliates is a party or has rights (collectively, "Alternative Arrangements"), after giving effect to any applicable deductible or retention and any out of pocket costs incurred by the Claiming Party in connection therewith. In the event any recovery from an Alternative Arrangement is received after the Defending Party has made an indemnification payment under this Agreement that did not take into account recovery, the Claiming Party shall promptly pay the Defending Payment an amount equal to the lesser of such recovery and the amount of the related indemnification payment.

(b) Notwithstanding anything to the contrary contained herein, no party shall be liable or otherwise responsible to any other party hereto or any Affiliate of any other party hereto for consequential, special, indirect, exemplary or punitive damages, other than (i) consequential, special, indirect, exemplary or punitive damages payable to a third party pursuant to a Third Party Claim or (ii) consequential, indirect or special damages that were reasonably foreseeable on the date hereof or on the Closing Date and are a direct consequence of or direct result of, or directly arise from, a breach of this Agreement. In no event will any "multiple of profits," "multiple of cash flow" or "multiple of revenue" or other valuation methodology be used in calculating the amount of any Losses. Except as otherwise expressly provided by Section 6.05(a), no information obtained by Buyer pursuant to Section 6.02 hereof or otherwise shall be deemed to amend or supplement the Disclosure Schedule, to prevent or cure any breach of any representation nor warranty, or breach of covenant, or to otherwise limit or affect any rights of the Buyer Indemnitees under Article 9.

(c) No Buyer Indemnitee will be entitled to any indemnification under this Article 9 to the extent such matter (i) was taken into account in determining the Final Aggregate Closing Consideration pursuant to Section 1.02, or (ii) was expressly reserved for in the Financial Statements.

9.08 Acknowledgments.

(a) Each party understands, acknowledges and agrees that except for (i) instances of intentional common law fraud in connection with the representations and warranties set forth in this Agreement, (ii) the parties' right to seek specific performance or injunctive relief

pursuant to Section 11.19, and (iii) the parties' rights and obligations pursuant to Sections 1.02 and 1.03, from and after the Closing, the indemnification provided to the parties pursuant to, and subject to the terms and conditions of, this Article 9 will be the sole and exclusive remedy of the parties with respect to the subject matter of this Agreement or the transactions contemplated hereby. Buyer acknowledges and agrees that the Buyer Indemnitees may not avoid such limitation on liability by (x) seeking damages for breach of contract, tort or pursuant to any other theory of liability, all of which are hereby waived or (y) asserting or threatening any claim against any Person that is not a party (or a successor to a party) for breaches of the representations, warranties and covenants contained in this Agreement.

(b) THE REPRESENTATIONS AND WARRANTIES BY THE COMPANY AND SELLER IN ARTICLES 3 AND 4 HEREOF CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND SELLER TO BUYER IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY, AND BUYER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT ALL OTHER REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE EXPRESS OR IMPLIED (INCLUDING ANY RELATING TO THE FUTURE OR HISTORICAL FINANCIAL CONDITION, RESULTS OF OPERATIONS, ASSETS OR LIABILITIES OR AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROMOTED TO BUYER OF THE ACQUIRED COMPANIES OR TO ANY ENVIRONMENTAL, HEALTH OR SAFETY MATTERS) ARE SPECIFICALLY DISCLAIMED BY THE COMPANY AND SELLER AND ARE NOT BEING RELIED UPON BY BUYER OR ANY OF ITS REPRESENTATIVES OR AFFILIATES.

(c) Buyer hereby acknowledges and agrees that it has not relied upon any statements, information, material, representations, warranties or financial projections delivered or made available to Buyer or its representatives (including representations as to the accuracy or completeness of any such information) other than the representations and warranties contained in Article 3 or Article 4 of this Agreement. Buyer acknowledges and agrees that neither Seller nor any of its direct or indirect Affiliates, directors, officers, members, employees or representatives will have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer, or Buyer's use of, or reliance on (including with respect to accuracy or completeness), any information, statements, material or financial projections prepared by the Company, Seller or their respective Affiliates delivered or made available to Buyer or its representatives or any information, document or material made available to Buyer or its Affiliates or representatives in certain "data rooms" and online "data sites," management presentations or any other form in expectation of the transactions contemplated by this Agreement. In connection with Buyer's investigation of the Acquired Companies, Buyer has received from or on behalf of the Company certain projections, including projected statements of operating revenues and income from operations of the Acquired Companies and certain business plan information of the Acquired Companies. Buyer acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that Buyer is familiar with such uncertainties, that Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to it (including the reasonableness of the assumptions underlying such estimates, projections and forecasts), and that Buyer will have no claim against Seller or any other Person with respect thereto. Accordingly, Seller and the Company make no representations or warranties whatsoever with respect to such estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and forecasts), and Buyer agrees that it has not relied thereon.

9.09 Tax Matters.

(a) Responsibility for Filing Tax Returns. Seller (which for purposes of this Section 9.09 shall include any representative of Seller) shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Acquired Companies for all Taxable periods ending on or before the Closing Date. Buyer shall be responsible for the due preparation and timely filing of all Tax Returns of the Acquired Companies for all Taxable periods beginning after the Closing Date, and Buyer shall be responsible for the timely and complete payment of any related Taxes due with respect to such Tax Returns. With respect to any Tax Returns of the Acquired Companies that are due for any Straddle Periods ("Straddle Tax Returns"), Buyer shall be responsible for the due preparation and timely filing of all such Straddle Tax Returns on a basis consistent with the past practices of the Acquired Companies, and shall provide a draft of any such Straddle Tax Return to Seller for review and comment reasonably in advance of the due date for such Straddle Tax Return (together with schedules, statements and, to the extent required by Seller, supporting documentation). Buyer shall use reasonable efforts to incorporate all comments provided by Seller with respect to such Straddle Tax Returns and in no event shall file any such Straddle Tax Return without the prior written consent of Seller, not to be unreasonably conditioned, withheld or delayed. The parties shall negotiate in good faith to resolve any disputed items with respect to such Straddle Tax Returns. If the parties are unable to reach an agreement within ten (10) days after receipt by Buyer of written notice provided by Seller that such dispute remains unresolved, the disputed items shall be resolved by final determination of the Accounting Firm. The costs and expenses of the Accounting Firm will be paid by the non-prevailing party, as determined by the Accounting Firm.

(b) Amended Tax Returns. Without the prior written consent of Seller, which consent shall not be unreasonably conditioned, withheld or delayed, Buyer shall not amend any Tax Returns of the Acquired Companies for a Pre-Closing Tax Period.

(c) Cooperation. The parties will reasonably cooperate with each other to provide each other with such assistance as may be reasonably requested by them in connection with the preparation and filing of any Tax Returns, making of any election related to Taxes, and any Tax audit or other examination in connection with an administrative or judicial proceeding involving a taxing authority relating to Taxes. Without limiting the foregoing, Buyer shall cooperate reasonably with Seller, to the extent reasonably necessary, in the preparation and filing of all Tax Returns of the Acquired Companies for all Taxable periods ending on or before the Closing Date, including by making the Acquired Companies' book and records available for inspection by Seller, Seller's accountants, auditors and attorneys upon reasonable advance notice and including, if required by applicable Law, causing such Tax Returns to be signed by appropriate pre-Closing officers of the applicable Acquired Company, as the case may be. Buyer shall cause each Acquired Company to retain all books and records with respect to Tax matters pertinent to such Acquired Company relating to any Pre-Closing Tax Period until the expiration of the applicable statute of limitations (and, to the extent notified by Seller, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority.

(d) Tax Audits. If any written notice of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, administrative or judicial proceeding or other similar claim is made by any taxing authority, which, if successful, might result in an indemnity payment to an indemnified party pursuant to Article 9, then such indemnified party shall give notice to the indemnifying party in writing of such claim and of any counterclaim the indemnified party proposes to assert (a "Tax Claim"); provided, however, the failure to give such notice shall not affect the indemnification provided hereunder except to the extent the indemnifying party has been materially prejudiced as a result of such failure. With respect to any Tax Claim relating to a Pre-Closing Tax Period (other than a portion of any Straddle Period), Seller shall, solely at its own cost and expense, control all proceedings and may make all decisions in connection with such Tax Claim (including selection of counsel) and, without limiting the foregoing, may in its sole discretion pursue or forego any and all administrative appeals, proceedings, hearings and conferences with any taxing authority with respect thereto, and may, in its sole discretion, either pay the Tax claimed and sue for a refund where applicable Law permits such refund suits or contest the Tax Claim in any permissible manner. Notwithstanding the foregoing, Seller shall not settle such Tax Claim without the prior written consent of Buyer, which consent shall not be unreasonably conditioned, withheld, or delayed, if it reasonably determines that such Tax Claim could have a material adverse impact on the Taxes of either Acquired Company in a Post-Closing Tax Period. Seller and Buyer shall jointly control and participate in all proceedings taken in connection with any Tax Claim relating to Taxes of the Acquired Companies for a Straddle Period, and shall bear their own respective costs and expenses. Neither Seller nor Buyer shall settle any such Tax Claim without the prior written consent of the other, which consent shall not be unreasonably conditioned, withheld, or delayed.

(e) Transfer Taxes. Buyer shall pay any real property transfer Tax, stamp duty, stock transfer Tax, sales Tax, use Tax, value added Tax, or other similar Tax imposed on Buyer, the Acquired Companies or Seller as a result of the transactions contemplated by this Agreement (collectively, "Transfer Taxes"), and any penalties or interest with respect to the Transfer Taxes. Buyer shall file all necessary Tax Returns and other documentation with respect to Transfer Taxes (except to the extent such Tax Returns are required by Law to be filed by Seller), and Seller agrees to reasonably cooperate with Buyer in the filing of any such Tax Returns, including promptly supplying any information in its possession that is reasonably necessary to complete such Tax Returns or secure exemptions from such Transfer Taxes.

(f) Straddle Period Allocation. For purposes of this Agreement, in the case of any Straddle Period, the amount of Taxes allocable to the Pre-Closing Tax Period portion of such Straddle Period shall be deemed to be: (i) in the case of Taxes that are imposed on a periodic basis (such as real or personal property Taxes), the amount of such Tax for the entire Straddle Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), multiplied by a fraction, the numerator of which is the number of days in the Straddle Period ending on and including the Closing Date and the denominator of which is the number of days in the entire Straddle Period, and (ii) in the case of any Tax not described in clause (i) (such as franchise Taxes, Taxes that are based upon or related to income or receipts or imposed in connection with any sale or transfer or assignment of

property) the amount of any such Taxes shall be determined as if the Straddle Period ended on and included the Closing Date, provided that exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the period ending on the Closing Date and the period after the Closing Date in proportion to the number of days in each period.

(g) Allocation of Aggregate Closing Consideration. The Purchase Price (and any other consideration paid hereunder for the Units and the Interests) and the liabilities (to the extent included in amount realized for federal income Tax purposes) of the Company, plus other relevant items, shall be allocated among the assets of the Company in accordance with Code Section 1060 and the Treasury Regulations promulgated thereunder. Within sixty (60) days after the determination of the adjustments, if any, to the Purchase Price hereunder, or, if sooner, ninety (90) days before IRS Form 8594 must be filed, Buyer will provide to Seller copies of IRS Form 8594 and any required exhibits thereto (the "Allocation") with Buyer's proposed allocation of the Purchase Price consistent with Code Section 1060 and the Treasury Regulations promulgated thereunder. Within thirty (30) days after the receipt of such Allocation, Seller will submit to Buyer in writing any proposed changes to such Allocation or shall indicate its concurrence therewith, which concurrence shall not be unreasonably withheld, conditioned or delayed (and in the event no such changes are proposed in writing to Buyer within such period of time, Seller will be deemed to have agreed to, and accepted, the Allocation). Buyer and Seller will endeavor in good faith to resolve any differences with respect to the Allocation within fifteen (15) days after Buyer's receipt of written notice of objection from Seller. Any unresolved disputes will be resolved by the Accounting Firm, the costs of which shall be borne by each party in the percentage inversely proportionate to the percentage of the total dollar amount of the total items submitted for dispute that are resolved in such party's favor. The determination of the Accounting Firm shall be binding on the parties. Seller and Buyer shall each timely file IRS Form 8594 by attaching such form to their respective timely filed U.S. federal income Tax Returns in a manner reflecting the Allocation, and Seller and Buyer shall reasonably cooperate with each other in connection with such preparation and filing. The Allocation, as determined in the manner described above, shall be binding upon the parties, and all Tax Returns and reports filed by Buyer, the Company and Seller will be prepared consistently with the Allocation. None of Buyer, the Company or Seller shall take any position (whether in audits, Tax Returns or otherwise) that is inconsistent with the Allocation unless required to do so by Law. The parties shall cooperate in updating the Allocation and any IRS Form 8594 with respect to any post-Closing adjustments to the purchase price hereunder.

(h) Refunds. The amount or economic benefit of any refunds, credits or offsets of Taxes of the Acquired Companies, for any Pre-Closing Tax Period shall be for the account of Seller. Such amounts shall not include any Taxes already taken into account as part of working capital or that otherwise resulted in an adjustment to purchase price hereunder. Notwithstanding the foregoing, any such refunds, credits or offsets of Taxes shall be for the account of Buyer to the extent such refunds, credits or offsets of Taxes are attributable (determined on a marginal basis) to the carryback from a Post-Closing Tax Period of items of loss, deduction or credit, or other Tax items, of either Acquired Company (or any of its Affiliates, including Buyer). The amount or economic benefit of any refunds, credits or offsets of Taxes of the Acquired Companies for any Post-Closing Tax Period shall be for the account of Buyer. The amount or economic benefit of any refunds, credits or offsets of Taxes of the

Acquired Companies for any Straddle Period shall be equitably apportioned between Seller and Buyer in accordance with the principles of Section 9.09(f). Each party shall forward, and shall cause its Affiliates to forward, to the party entitled to receive the amount or economic benefit of a refund, credit or offset to Tax the amount of such refund, or the economic benefit of such credit or offset to Tax, within ten (10) days after such refund is received or after such credit or offset is allowed or applied against another Tax liability, as the case may be.

(i) To the extent permitted by Law, any and all deductions related to all Seller Transaction Expenses and payments that are paid by or on behalf of the Company prior to or in connection with the Closing and deductible by the Company for Tax purposes, including other fees and expenses of legal counsel, accountants, and investment bankers and any Change of Control Payments (such deductions, the "Transaction Tax Deductions") shall be treated for income Tax purposes as having been incurred by the Company in, and reflected as a deduction on the income Tax Returns of the Company for, the taxable period or portion thereof ending on the Closing Date.

9.10 Director and Officer Liability and Indemnification.

(a) For a period of six (6) years after the Closing, Buyer will not, and will not permit the Acquired Companies to amend, repeal or modify any provision in such Acquired Company's organizational documents relating to the exculpation, indemnification or advancement of expenses of any officers, managers and directors of the Acquired Companies (each, an "Indemnified Person") (unless required by Law), it being the intent of the parties that the officers and directors of the Acquired Companies will continue to be entitled to such exculpation, indemnification and advancement of expenses to the full extent of the Law. Further, from and after the Closing, Buyer agrees to cause the Acquired Companies to comply with and honor any such rights to exculpation, indemnification, and advancement; provided, that if any claims are asserted or made within such period, all rights to indemnification and exculpation (and to advancement of expenses) in respect of any such claims shall continue, without diminution, until disposition of any and all such claims.

(b) An Indemnified Person shall notify the applicable Acquired Company of the existence of any threatened or actual claim, action, suit, proceeding or investigation, whether civil, criminal or administrative (each, a "Proceeding") for which such Indemnified Person is entitled to indemnification hereunder as promptly as reasonably practicable after such Indemnified Person learns of such Proceeding; provided, that the failure to so notify shall not affect the obligations of the Acquired Companies under this Section 9.10 except to the extent such failure to notify actually and materially prejudices such Acquired Company. The related Acquired Company, at its expense, shall have the right to control the defense of the Proceeding with counsel selected by the Acquired Company and reasonably acceptable to the Indemnified Person. The Acquired Company shall cooperate with all reasonable requests made by the Indemnified Person, and the Indemnified Person shall cooperate with all reasonable requests made by the Acquired Company, in connection with the defense of any Proceeding. No settlement of a Proceeding may be made by the Acquired Company without the Indemnified Person's consent, except for a settlement which (i) requires no more than a monetary payment by the Acquired Company for which the Indemnified Person is fully indemnified, (ii) provides for a full and unconditional release of the Indemnified Person and (iii) which does not require the admission of liability or wrongdoing. No settlement of a Proceeding may be made by an Indemnified Person without the consent of the Acquired Company (such consent not to be unreasonably withheld, delayed or conditioned).

(c) At or prior to the Closing, Buyer shall, on behalf of the Company, obtain an extended reporting period endorsement for the directors' and officers' liability insurance policy of the Acquired Companies in the form and on terms reasonably acceptable to Seller so that the Indemnified Persons shall be covered for a period of six (6) years after the Closing under the terms of such policy; the cost of such extended reporting coverage to be borne by Buyer. Buyer shall not, and shall not permit Amedisys to, cancel such policy within six (6) years after the Closing.

(d) In the event that all or substantially all of the assets of the Company are sold, whether in one transaction or a series of transactions, then the Acquired Companies will, in each such case, make proper provisions so that the successors and assigns of the Company assume the obligations set forth in this Section 9.10.

9.11 Release.

(a) Effective upon the Closing, Seller hereby releases the Acquired Companies, their respective successors and assigns (excluding Buyer and its Affiliates other than the Acquired Companies), and their respective members, managers, directors, and officers, from any and all claims, liabilities, obligations, causes of action, known or unknown, which Seller (i) now has, or claims to have, (ii) at any time previously had, or claimed to have had, or (iii) at any time hereafter may have, or claim to have, against any of such Persons and that, in each case, accrued or otherwise arose prior to the Closing, provided that, nothing in this Section 9.11(a) will release or be deemed to constitute a release by Seller of any of its rights to enforce its rights under this Agreement, or any other agreement, document or instrument contemplated by this Agreement ("Transaction Documents"), any claim arising from or relating to this Agreement or the Transaction Documents, arising from the transactions contemplated by this Agreement or Transaction Documents, any other right or claim that may arise from the employment of Seller by any Acquired Company or Buyer or an Affiliate thereof following the Closing, or any other right or claim that may arise from the intentional common law fraud of such Persons. SELLER EXPRESSLY WAIVES ALL RIGHTS AFFORDED BY ANY STATUTE WHICH LIMITS THE EFFECT OF A RELEASE WITH RESPECT TO UNKNOWN CLAIMS.

(b) Effective upon the Closing, each Acquired Company hereby releases Seller from any and all claims, liabilities, obligations, causes of action, known or unknown, which either Acquired Company (i) now has, or claims to have, (ii) at any time previously had, or claimed to have had, or (iii) at any time hereafter may have, or claim to have, against Seller and that, in each case, accrued or otherwise arose prior to the Closing, provided that, nothing in this Section 9.11(b) will release or be deemed to constitute a release by either Acquired Company of any of its rights to enforce its rights under this Agreement or any other Transaction Document, any claim arising from or relating to this Agreement or the Transaction Documents, any other right or claim that may arise from the employment of Seller by any Acquired Company or Buyer or an Affiliate thereof after the Closing, or any other right or claim that may arise from the intentional common law fraud of Seller. EACH ACQUIRED COMPANY EXPRESSLY WAIVES ALL RIGHTS AFFORDED BY ANY STATUTE WHICH LIMITS THE EFFECT OF A RELEASE WITH RESPECT TO UNKNOWN CLAIMS.

(c) The respective releases provided by the Acquired Companies and the Seller pursuant to this Section 9.11 are expressly made subject to a reservation of any rights in favor of such parties pursuant to any insurance policies held by or for the benefit of them; provided, however, for the avoidance of doubt, none of the related insurers shall have any right of subrogation against Seller with respect thereto.

9.12 Non-Competition and Non-Solicitation.

(a) Seller covenants and agrees that, commencing on the Closing Date and ending on the third (3rd) anniversary thereof (the "Restricted Period"), Seller shall not, and shall not permit any of his Affiliates to, directly or indirectly, (i) engage or participate in, own, acquire, operate, be employed by, consult for, lend money to, invest in or otherwise have a financial interest in any business that provides home health services within the Commonwealth of Massachusetts ("Prohibited Activities"); provided, however, that the foregoing shall not (1) preclude Seller or any of his Affiliates from owning less than one percent (1%) of the issued and outstanding equity securities of any company engaged in Prohibited Activities, or (2) preclude Seller from being employed by or consulting for Buyer or its Affiliates, (ii) call on or otherwise solicit any natural person who is at that time employed by Buyer or any of its Affiliates in any capacity with the purpose or intent of attracting that person from the employ of Buyer or any of its Affiliates or (iii) call on, solicit or perform services for any Person that at that time is, or at any time within two (2) years prior to that time was, a customer, patient or referral source of the Acquired Companies or any Affiliates of Buyer, with the knowledge of that customer, patient or referral relationship.

(b) Each party covenants and agrees that, during the Restricted Period, no party shall make publicly any negative or disparaging statements or communications regarding any other party or any Affiliate of any other party that is intended to adversely affect such other party; provided, however, nothing in this Section 9.12(b) is intended to or shall be interpreted to: (x) restrict or otherwise interfere with a party's obligation to testify truthfully in any forum; (y) restrict or otherwise interfere with a party's obligation to provide information to any Governmental Authority; or (z) restrict or otherwise interfere with a party's enforcement of any right or remedy under this Agreement or the Transaction Documents.

(c) Each party acknowledges that a breach or threatened breach of Section 9.12 may give rise to irreparable harm to the other parties, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by a party of any such obligations, each other party shall, in addition to any and all other rights and remedies that may be available to he or it in respect of such breach, be entitled to seek equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

(d) The time period during which the prohibitions set forth in this Section 9.12 shall apply shall be tolled and suspended for a period equal to the aggregate time during which the related party violates such prohibitions in any respect (not to exceed the number of days between the date of initial violation and the end of the Restricted Period).

(e) The parties agree that Section 9.12 imposes a reasonable restraint on the parties in light of the activities and business of Seller on the date hereof and the current business plans of Buyer.

(f) The covenants in this Section 9.12 are severable and separate, and the unenforceability of any specific covenant in this Section 9.12 is not intended by any party hereto to, and will not, affect the provisions of any other covenant in this Section 9.12 or elsewhere in this Agreement. If any court of competent jurisdiction determines that the scope, time or territorial restrictions of **Error! Reference source not found**. 9.12 are unreasonable as applied to any party, the parties hereto, respectively acknowledge their mutual intention and agreement that those restrictions be enforced to the fullest extent the court deems reasonable, and thereby will be reformed to that extent as applied to such party.

(g) All the covenants in this Section 9.12 are intended by each party hereto to, and will, be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of a party against another party, whether predicated on this Agreement or otherwise, will not constitute a defense to the enforcement by such other party of any covenant in this Section 9.12. The covenants in this Section 9.12 will not be affected by any other party's breach of any other provision of this Agreement.

(h) The parties acknowledge that this Section 9.12 is a material and substantial part of the transactions contemplated hereby.

9.13 Further Assurances. From time to time, as and when requested by any party and at such requesting party's expense, any other party will execute and deliver, or cause to be executed and delivered, all such documents and instruments and will take, or cause to be taken, all such further or other actions as the requesting party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement.

9.14 Payment and Performance Guarantee by Amedisys.

(a) Amedisys hereby absolutely, unconditionally and irrevocably guarantees, as a primary obligor and not merely a surety, to the Acquired Companies and Seller (i) the performance of all obligations of Buyer under this Agreement to the extent such obligations are to be performed prior to or at the Closing and (ii) the due and punctual payment by Buyer of all payments of the Final Aggregate Closing Consideration and Contingent Payments owing by Buyer pursuant to Sections 1.02 and 1.03 of the Agreement (clauses (i) and (ii) collectively, the "Guaranteed Obligations"). The guarantee by Amedisys set forth in clause (i) above shall terminate immediately following the determination of the Final Aggregate Closing Consideration. The guarantee by Amedisys set forth in this Section 9.14 shall continue to be effective or be reinstated, as the case may be, if at any time any payment or performance of the Guaranteed Obligations is rescinded or must otherwise be returned by Seller upon the insolvency, bankruptcy or reorganization of Amedisys or otherwise, all as though such payment had not been made. This is a guarantee of payment and performance, as applicable, and not of

collection only. Seller shall not be required to make any demand upon, or to pursue or exhaust any right or remedy against, Buyer prior to exercising his rights under this Section 9.14, and no delay or omission on the part of Seller in exercising rights hereunder shall operate as a waiver or relinquishment of such rights or remedies.

(b) From and after the Closing, the Acquired Companies shall be jointly and severally liable for all obligations of Buyer under this Agreement to the extent such obligations are to be performed following the Closing. Seller shall not be required to make any demand upon, or to pursue or exhaust any right or remedy against, Buyer prior to exercising its rights under this Section 9.14(b), and no delay or omission on the part of Seller in exercising rights hereunder shall operate as a waiver or relinquishment of such rights or remedies.

ARTICLE 10

DEFINITIONS

10.01 Definitions. For purposes hereof, the following terms, when used herein with initial capital letters, will have the respective meanings set forth herein:

"Action" means any action, claim, complaint, investigation, petition, suit, arbitration or similar proceeding, whether civil or criminal, at law or in equity by or before any Governmental Authority.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person. For the purposes of this definition, "controlling," "controlled" and "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"Affiliated Real Property" means the real property owned by certain Affiliates of Seller located at 991 N. Osgood Street, North Andover, Massachusetts and 30 Williams Street, Leominster, Massachusetts.

"AIG Policy" means the R&W Insurance Policy issued by AIG Specialty Insurance Company, the form of which is attached hereto as Exhibit D-1.

"Benefit Plan" means each "employee benefit plan" within the meaning of Section 3(3) of ERISA that is established, maintained, sponsored or contributed to by either Acquired Company for the benefit of any current or former employees, contractors, directors or officers thereof, including any pension, retirement, savings, disability, medical, dental, health, life, death benefit, group insurance, profit sharing, deferred compensation, stock option, bonus, incentive, or performance awards, vacation pay, actual or phantom ownership of any equity interest, tuition reimbursement, severance or termination pay, or other employee benefit plan, trust, agreement, contract, arrangement, practice, program, policy or commitment.

"Business Day" means any day except Saturday, Sunday or any other day on which commercial banks located in the Commonwealth of Massachusetts are authorized or required by Law to be closed for business.

"Buyer Knowledge Group" means Kristopher Novak and Kyle Young.

"Cash on Hand" means, with respect to the Acquired Companies, as of the opening of business on the Closing Date all cash, cash equivalents, marketable securities and deposits held by third parties, in each case determined in accordance with GAAP. For the avoidance of doubt, Cash on Hand will be calculated net of issued but uncleared checks and drafts and will include checks, other wire transfers and drafts deposited or available for deposit for the account of the Company, but only to the extent that the amounts payable in respect of such outstanding checks or amounts receivable in respect of such received checks are not included as current liabilities or current assets, respectively, in the calculation of Net Working Capital.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Change of Control Payments" means any severance, change in control, termination, retention, sale bonuses, incentive or similar amounts or benefits payable by the Company to any current or former employee, independent consultant or any other person as a result of the consummation of the transactions contemplated hereby.

"Customer" means any Person that is an Aging Services Access Point (ASAP) or other non-profit entity providing services of a type ordinarily provided by an ASAP.

"Disability" has the same meaning as provided in the long-term disability plan or policy maintained (or, if applicable, most recently maintained) by Amedisys or, if applicable, a Subsidiary or Affiliate thereof for Seller, regardless of whether Seller actually receives disability benefits under such plan or policy. If no long-term disability plan or policy was ever maintained on behalf of Seller, "Disability" means "Permanent and Total Disability" as defined in Section 22(e)(3) of the Code. In a dispute, the determination whether Seller has suffered a Disability will be made by the Compensation Committee of the Board of Directors of Amedisys and may be supported by the advice of a physician competent in the area to which that Disability relates.

"Disclosure Schedule" means the disclosure schedule delivered by the Company concurrently with the execution and delivery of this Agreement and attached hereto as may be amended or supplemented pursuant to Section 6.05(a).

"Employees" means those Persons employed by the Company as of the date hereof.

"Environmental Laws" means all Laws that are binding upon the Acquired Companies concerning pollution or protection of the environment, including all those relating to the generation, handling, transportation, treatment, storage, disposal, distribution, labeling, discharge, release, threatened release, control, remediation or cleanup of any Hazardous Substances, as such of the foregoing are promulgated and in effect on or prior to the Closing Date.

"Escrow Agent" means Fifth Third Bank, an Ohio banking corporation.

"Excluded Matter" means any breach of any Fundamental Representation excluded from coverage pursuant to Section 4(l), 4(o) or 4(p) of the AIG Policy or Section 4(f) of the Ironshore Policy, but excluding any Interim Breach.

"Excluded Matters Escrow Amount" means an amount equal to $150,000.

"Excluded Matters Escrow Fund" means, as of any date, the amount of funds then held by the Escrow Agent pursuant to the Escrow Agreement (including all interest and earnings thereunder) for purposes of satisfying indemnification claims hereunder relating to the Excluded Matters, with the initial amount of such funds being the Excluded Matters Escrow Amount.

"GAAP" means generally accepted accounting principles in the United States, as consistently applied by the Acquired Companies.

"Government Programs" means Medicare, Medicaid, CHAMPUS, TriCare and all other health care reimbursement programs funded and/or regulated by the Federal, state or local government.

"Governmental Authority" means any national, federal, state, local or foreign government or political subdivision thereof, or any regulatory authority, agency, bureau, board, commission, department or instrumentality of such government or political subdivision, or any arbitrator, court or tribunal of competent jurisdiction.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Hazardous Substance" means petroleum or any hazardous substance as defined in CERCLA.

"Healthcare Laws" means any Law or Legal Requirement relating to healthcare regulatory and reimbursement matters, including but not limited to 42 U.S.C. §§ 1320a-7, 7a, and 7b, which are commonly referred to as the "Federal Fraud Statutes," and their state law counterparts, including, without limitation, MGL c. 175H, § 3; 42 U.S.C. § 1395nn, which is commonly referred to as the "Stark Statute," and its state law counterparts; 31 U.S.C. §§ 3729-3733, which is commonly referred to as the "federal False Claims Act"; the False Statements Act, 18 U.S.C. § 1001; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Criminal False Claims Act, 18 US.C. § 287, the Anti-Kickback Act of 1986, 41 U.S.C. §§ 51-58; the federal TRICARE statute, 10 U.S.C. § 1071 *et seq.*; HIPAA, the HITECH Act, and any other applicable Laws or Legal Requirements concerning the privacy and security of health information; the anti-fraud and related provisions of HIPAA, 18 U.S.C. §§ 1035 and 1347; Laws and Legal Requirements relating to participation in or submission of claims to Government Programs and Private Programs; applicable provisions of the Patient Protection and Affordable Care Act, 42 U.S.C. § 18001 et seq., together with its implementing regulations and any other rules or regulations promulgated thereunder; any federal, state or local statute or regulation relevant to mail fraud, wire fraud, false statements or claims; survey, certification, and standards as each relates to eligibility to obtain authorizations of Governmental Entities required to participate in Government Programs; Medicare program conditions of participation and conditions of payment, and all applicable federal, state, and local licensing, accreditation, regulatory and certificate of need Laws.

"Indebtedness" means, with respect to the Acquired Companies, (w) the principal amount, plus any related accrued and unpaid interest, fees and prepayment premiums or penalties, of all indebtedness for borrowed money (i) owed by either Acquired Company under a credit facility, (ii) evidenced by any note, bond, debenture or other debt security, (iii) owed by either Acquired Company under any swaps, hedges or similar instruments, (iv) owed by either Acquired Company for all or any portion of the deferred purchase price of property or services which is not accounted for in the computation of Net Working Capital, (v) under or in respect of any lease that has been or should be accounted for as a capital lease in accordance with GAAP, or (vi) owed by either Acquired Company under any letters of credit, performance bonds, bankers acceptances or similar obligations entered into in the ordinary course of business, (x) any guarantees by the Acquired Companies of obligations described in clause (w) for any other Person, (y) any client deposits, and (z) any obligations for payment of deferred compensation (but without duplication of any amounts referenced in clause (w)(iv) above). Notwithstanding the foregoing, Indebtedness does not include (A) any operating or lease obligations that should not be accounted for as a capital lease in accordance with GAAP, and (B) any intercompany obligations between the Acquired Companies.

"Indemnity Escrow Amount" means an amount equal to one half of one percent (0.5%) of the Base Purchase Price.

"Indemnity Escrow Fund" means, as of any date, the amount of funds then held by the Escrow Agent pursuant to the Escrow Agreement (including all interest and earnings thereunder) for purposes of satisfying indemnification claims hereunder (excluding the Interim Breach Loss Escrow Amount and the Excluded Matter Escrow Amount), with the initial amount of such funds being the Indemnity Escrow Amount.

"Intellectual Property" means all intellectual property rights arising from or in respect of the following: (i) all patents and applications therefor, including continuations, divisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon, and inventions and discoveries that may be patentable, (ii) all trademarks, service marks, trade names, service names, brand names and trade dress rights, and all applications, registrations and renewals thereof, (iii) copyrights and registrations and applications therefor, works of authorship and mask work rights, and (iv) all trade secrets, know-how, customer lists, software, technical information, data, process technology, plans, drawings and blue prints.

"Interim Breach" means the occurrence of an event, fact or circumstance after the execution of this Agreement and before the Closing (other than an event, fact or circumstance that arises out of or is attributable to one or more of the matters described in clauses (i) through (viii) of the definition of "Material Adverse Effect" and other than Immaterial Interim Breaches or any development, fact or circumstance that is the subject of a Permitted Schedule Amendment), of which one or more Persons in the Buyer Knowledge Group becomes aware during such period, which would cause any representation and warranty of the Company, EHO or Seller contained in Article 3 or 4 to be inaccurate or breached as of the Closing Date (disregarding, for purposes of determining any such inaccuracy or breach, any qualifications referring to "Knowledge"), and with respect to which recourse under the R&W Insurance Policy would be unavailable.

"Ironshore Policy" means the R&W Insurance Policy issued by Ironshore Specialty Insurance Company, the form of which is attached hereto as Exhibit D-2.

"Law" means any statute, law, ordinance, regulation, rule, order, judgment, decree or code of any Governmental Authority, including any Governmental Order.

"Legal Requirement" means at any time (i) any Law, injunction, writ, edict, award, authorization or other legally binding requirement of any Governmental Authority in effect at that time or (ii) any legally binding obligation included in any certificate, certification, franchise, Permit or license issued by any Governmental Authority at that time.

"Liens" means any charge, lien, mortgage, deed of trust, security interest, option, pledge, deposit, encumbrance, or other similar restriction.

"Material Adverse Effect" means any event, series of events, change or effect that, individually or in the aggregate with other events, series of events, changes, or effects, has had or would reasonably be likely to have an adverse effect on the assets, properties, business, operations, financial condition, or results of operations of the Acquired Companies taken as a whole, except any adverse effect related to or resulting from (i) general business or economic conditions affecting any industry in which each Acquired Company operates that do not disproportionately affect such Acquired Company as compared to similarly-situated businesses, (ii) national or international political or social conditions, including the engagement by the United States in hostilities or the escalation thereof, whether or not pursuant to the declaration of a national emergency or war, or the occurrence or the escalation of any military or terrorist attack upon the United States, or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (iii) financial, banking or securities markets conditions (including any disruption thereof and any decline in the price of any security or any market index), except to the extent such conditions disproportionately affect the Acquired Company as compared to similarly-situated businesses, (iv) changes in Law, except to the extent such changes disproportionately affect the Acquired Company as compared to similarly-situated businesses, (v) changes in accounting standards, including GAAP, except to the extent such changes disproportionately affect the Acquired Company as compared to similarly-situated businesses, (vi) the taking of any action contemplated by this Agreement or the other agreements contemplated hereby or the announcement of this Agreement, the other agreements contemplated hereby or the transactions contemplated hereby or thereby, (vii) any existing event, condition or other matter described on the Disclosure Schedule, or (viii) any adverse change in or effect on the business of either Acquired Company that is cured by or on behalf of such Acquired Company before the earlier of the Closing Date and the date on which this Agreement is terminated pursuant to Article 8.

"Net Working Capital" means (i) all accounts receivable, inventory and prepaid expenses of the Acquired Companies as of the opening of business on the Closing Date, minus (ii) all accounts payable and accrued expenses of the Acquired Companies as of the opening of business on the Closing Date, in each case using the same line items set forth on Schedule 10.01(i)

attached hereto and calculated in accordance with GAAP and, to the extent compliant with GAAP, using the same accounting methods, assumptions, policies, principles, practices, and procedures, with consistent classification, judgments, and estimation methodology, as were used by the Acquired Companies in preparing the audited balance sheet of the Company as of December 31, 2014. For the avoidance of doubt, the determination of Estimated Aggregate Closing Consideration and Final Aggregate Closing Consideration and the preparation of the Closing Statement will take into account only those components (i.e., line items) and adjustments reflected on Schedule 10.01(i) attached hereto and used in calculating the Net Working Capital Target. The parties agree that the purpose of preparing and calculating the Net Working Capital hereunder is to measure changes in Net Working Capital without the introduction of new or different accounting methods, policies, practices, procedures, classifications, judgments or estimation methodologies from GAAP (except to the extent required by GAAP).

"Net Working Capital Lower Target" means $4,700,000.

"Net Working Capital Upper Target" means $4,900,000.

"Permit" means any permit, license, franchise, approval, accreditation, qualification, certification, authorization, registration, filing, waiver, exemption, clearance or consent obtained from or filed with any Governmental Authority.

"Permitted Liens" means (i) statutory Liens for current Taxes or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the Acquired Companies, in each case provided that adequate reserves with respect thereto are maintained on the books of related Person in accordance with GAAP, (ii) mechanic's, carriers', workers', repairers' and similar statutory Liens arising or incurred in the ordinary course of business for amounts which are not delinquent and which are not, individually or in the aggregate, significant, (iii) zoning, entitlement, building and other land use regulations imposed by Governmental Authorities having jurisdiction over the Leased Real Property which are incurred in the ordinary course of such Person's business or existing on property and not materially interfering with the ordinary conduct of such Person's business or such Person's use of such, (iv) covenants, conditions, restrictions, easements and other similar matters of record affecting title to the Leased Real Property which do not and will not adversely impair, in any material respect, the occupancy or use of the Leased Real Property for the purposes for which it is currently used or proposed to be used in connection with the Acquired Company's business, (v) public roads and highways, (vi) Liens arising in the ordinary course of business under worker's compensation, unemployment insurance, social security, retirement and similar legislation, (vii) purchase money liens and liens securing rental payments under capital lease arrangements, and (viii) liens, the existence of which would not be material.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Post-Closing Tax Period" means any Taxable period of the Acquired Companies beginning after the Closing Date and the portion of any Straddle Period beginning after the Closing Date.

"Pre-Closing Tax Period" means any Taxable period of the Acquired Companies ending on or before the Closing Date and the portion of any Straddle Period up to and including the Closing Date.

"Private Programs" means such private non-governmental programs, including any private insurance program, under which either Acquired Company, directly or indirectly, is presently receiving payments or is eligible to receive payments in connection with its business operations.

"R&W Insurance Policy" means the buyer-side representation and warranty insurance policies obtained by Buyer in connection with the transactions contemplated by this Agreement, naming Buyer as the insured, attached as Exhibits D-1 and D-2 hereto.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller Transaction Expenses" means all fees and expenses incurred by the Acquired Companies at or prior to the Closing in connection with the preparation, negotiation and execution of this Agreement and the Transaction Documents, and the performance and consummation of the transactions contemplated by this Agreement, in each case that are unpaid as of immediately prior to the Closing and not accrued for in the calculation of Net Working Capital, including all Change of Control Payments, all taxes payable by the Acquired Companies relating thereto.

"Straddle Period" means any Taxable period of the Acquired Companies beginning on or prior to and ending after the Closing Date.

"Straddle Tax Return" shall have the meaning set forth in Section 9.09(a).

"Subsidiary" means, with respect to any Person, any corporation, partnership, association, limited liability company, or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, association, limited liability company, or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof.

"Tax Returns" means any return, report, declaration, claim for refund, information return or other document (including schedules or any related or supporting information) filed or required to be filed with any governmental entity or other authority in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

"Tax" or "Taxes" (and, with correlative meaning "Taxing" and "Taxable") means all taxes, charges, fees, duties (including customs duties), levies or other assessments, including income, gross receipts, net proceeds, ad valorem, turnover, real and personal property (tangible and intangible), sales, use, franchise, excise, goods and services, value added, stamp, leasing, lease, user, transfer, fuel, excess profits, occupational, interest equalization, windfall profits, escheat and unclaimed property, severance, license, payroll, employment, premium, environmental (including Taxes under Section 59A of the Code), registration, alternative or add-on minimum, estimated, capital stock, disability, employee's income withholding, other withholding, unemployment and Social Security taxes, which are imposed by any Governmental Authority, and such term shall include any interest, penalties or additions to tax attributable thereto and obligations to indemnify or otherwise approve or succeed to the Tax liability of any other Person.

"Third Party Payor" includes any Person charged with paying claims or reimbursing either Acquired Company for private duty services, as appropriate, provided to Government Program or Private Program patients, including but not limited to Private Program health insurance administrators or third party administrators.

"Working Capital Adjustment Escrow Amount" means an amount equal to $200,000.

"Working Capital Escrow Fund" means, as of any date, the amount of funds then held by the Escrow Agent pursuant to the Escrow Agreement (including all interest and earnings thereunder) for purposes of satisfying working capital adjustments pursuant to Section 1.02, with the initial amount of such funds being the Working Capital Adjustment Escrow Amount.

10.02 Other Definitional Provisions.

(a) All references in this Agreement to Exhibits, disclosure schedules, Articles, Sections, subsections and other subdivisions refer to the corresponding Exhibits, disclosure schedules, Articles, Sections, subsections and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Articles, Sections, subsections or other subdivisions of this Agreement are for convenience only, do not constitute any part of this Agreement, and will be disregarded in construing the language hereof. All references in this Agreement to "days" refers to "calendar days" unless otherwise specified.

(b) Exhibits and schedules to this Agreement are attached hereto and by this reference incorporated herein for all purposes. The Recitals set forth herein above are incorporated into this Agreement in their entirety.

(c) The words "this Agreement," "herein," "hereby," "hereunder" and "hereof," and words of similar import, refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The words "this Article," "this Section" and "this subsection," and words of similar import, refer only to the Article, Section or subsection hereof in which such words occur. The word "or" is exclusive, and the word "including" (in its various forms) means including without limitation.

(d) All references to "$" and dollars will be deemed to refer to United States currency unless otherwise specifically provided.

(e) Pronouns in masculine, feminine or neuter genders will be construed to state and include any other gender, and words, terms and titles (including terms defined herein) in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires.

ARTICLE 11

MISCELLANEOUS

11.01 Press Releases and Communications.

(a) Prior to the Closing, except as provided in Section 11.01(b), no press release or public announcement related to this Agreement or the transactions contemplated hereby will be issued or made by or on behalf of any party, and no party shall disclose the terms of this Agreement or any agreement entered into in connection herewith other than to such party's legal or accounting advisors who are subject to a duty of confidentiality, without the joint approval of Buyer and Seller (not to be unreasonably withheld, conditioned or delayed), in each case unless such disclosure is required by Law (including applicable stock exchange rules) or Governmental Order, in which case Buyer and Seller will have the right to review and comment upon such press release, announcement, communication or disclosure prior to its issuance, distribution or publication. After the Closing, no press releases or public announcements related to this Agreement and the transactions contemplated herein, or other announcements to the employees, customers, patients/payors or suppliers of the Acquired Companies, will be issued without the approval of Buyer (which approval, in each case, shall not be unreasonably withheld, conditioned or delayed); provided, however, Buyer shall first permit Seller a reasonable opportunity to review and comment on the press release proposed to be issued by Buyer upon consummation of the Closing.

(b) Upon execution of this Agreement, the Parties have agreed that a mutually agreeable public announcement will be made.

11.02 Expenses. Except as otherwise expressly provided herein, Buyer and Seller will each pay their own expenses (including attorneys' and accountants' fees and expenses) in connection with the negotiation of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated by this Agreement (whether consummated or not). All Seller Transaction Expenses will be borne by Seller.

11.03 Prevailing Party. In the event of a dispute between any of the parties with respect to obligations under this Agreement, the prevailing party in any action or proceeding in any court or arbitration in connection therewith will be entitled to recover from such other party its costs and expenses, including reasonable legal fees and associated court costs.

11.04 Knowledge Defined. For purposes of this Agreement, the term "the Company's knowledge" or "to the knowledge of the Company" as used herein means the actual knowledge of Michael Trigilio, Chief Executive Officer of the Company, Nancy Aldrich, President of the Company, and Douglas May, Chief Financial Officer, as of the related date, and such additional knowledge as such individuals would reasonably be expected to obtain in the normal performance of their duties in their respective capacities with respect to the Company and upon due inquiry of those employees reporting thereto; provided, however, for the avoidance of doubt, in no event shall such persons be required to undertake any review, search or investigation of any public files, records or dockets, engage any third parties in connection with such due inquiry or obtain any freedom-to-operate or other legal opinion.

11.05 Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (a) when personally delivered, (b) when transmitted via telecopy (or other facsimile device) to the number set out below if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), (c) the day following the day (except if not a Business Day then the next Business Day) on which the same has been delivered prepaid to a reputable national overnight air courier service or (d) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid. Notices, demands and communications, in each case to the respective parties, will be sent to the applicable address set forth below, unless another address has been previously specified in writing:

Notices to Buyer and Amedisys (and, after the Closing, the Acquired Companies):

Amedisys Personal Care, LLC
c/o Amedisys, Inc.
5959 S. Sherwood Forest Blvd.
Baton Rouge, LA 70816
Telecopy: (225) 299-3796
Attn: Paul B. Kusserow
Chief Executive Officer

Amedisys Personal Care, LLC
c/o Amedisys, Inc.
5959 S. Sherwood Forest Blvd.
Baton Rouge, LA 70816
Telecopy: (225) 299-3796
Attn: David L. Kemmerly, Esq.
General Counsel

with a copy to (which shall not constitute notice):

Kantrow, Spaht, Weaver & Blitzer (APLC)
445 North Boulevard, Suite 300
Baton Rouge, LA 70802
Telecopy: (225) 383-4703
Attn: Lee C. Kantrow, Esq.
Jacob M. Kantrow, Esq.

Notices to Seller (and, before the Closing, the Company):

Associated Home Care, Inc.
Elder Home Options, LLC
991 Osgood Street
North Andover, MA 01845
Attn: Michael Trigilio

with a copy to (which shall not constitute notice):

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, MA 02111
Facsimile: (617) 542-2241
E-mail: dzioze@mintz.com
Attention: Dean G. Zioze, Esq.

11.06 Assignment. This Agreement and the rights hereunder are not assignable unless such assignment is consented to in writing by Buyer, the Acquired Companies, and Seller, and, subject to the preceding clause, this Agreement and all the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors or permitted assigns. For the avoidance of doubt, all of the representations, warranties, covenants and other terms set forth herein applicable to the Company shall be unaffected by, and remain applicable to the Company following, the Conversion.

11.07 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement, and the parties will amend or otherwise modify this Agreement to replace any prohibited or invalid provision with an effective and valid provision that gives effect to the intent of the parties to the maximum extent permitted by applicable Law.

11.08 No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any Person. Information set forth on any Section of the Disclosure Schedule shall be deemed to qualify each Section of this Agreement to which such Section of the Disclosure Schedule relates (or makes cross-reference), as well as representations and warranties in other Sections of this Agreement but only to the extent that the specific item on any such Section of the Disclosure Schedule is reasonably apparent on its face as being applicable to such other Section and only as related to such specific item. Capitalized terms used in the Disclosure Schedule and not otherwise defined therein have the meanings given to them in this Agreement. The specification of any dollar amount or the inclusion of any item in the representations and warranties contained in this Agreement or the Disclosure Schedule or Exhibits is not intended to imply that the amounts, or higher or lower amounts, or the items so

included, or other items, are or are not required to be disclosed (including whether such amounts or items are required to be disclosed as material or threatened) or are within or outside of the ordinary course of business, and no party will use the fact of the setting of the amounts or the fact of the inclusion of any item in this Agreement or the Disclosure Schedule or Exhibits in any dispute or controversy between the parties as to whether any obligation, item or matter not described or included in this Agreement or in any Disclosure Schedule or Exhibit is or is not required to be disclosed (including whether the amount or items are required to be disclosed as material or threatened) or is within or outside of the ordinary course of business for purposes of this Agreement. The information contained in this Agreement and in the Disclosure Schedule and Exhibits is disclosed solely for purposes of this Agreement, and no information contained herein or therein will be deemed to be an admission by any party to any third party of any matter whatsoever (including any violation of law or breach of contract).

11.09 Amendment and Waiver. Any provision of this Agreement may be amended or waived only in a writing signed by Buyer, the Company, EHO and Seller. No waiver of any provision hereunder or any breach or default thereof will extend to or affect in any way any other provision or prior or subsequent breach or default.

11.10 Complete Agreement. This Agreement (including the exhibits and schedules hereto) and the documents referred to herein (including the Confidentiality Agreement) contain the complete agreement between the parties and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

11.11 Counterparts. This Agreement may be executed in multiple counterparts (including by means of telecopied or PDF signature pages), any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same instrument.

11.12 Governing Law. All matters relating to the interpretation, construction, validity and enforcement of this Agreement will be governed by and construed in accordance with the domestic laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdiction other than the State of Delaware.

11.13 Consent to Jurisdiction and Service of Process. The parties to this Agreement submit to the exclusive jurisdiction of any state or federal court of competent jurisdiction located in the State of Delaware in respect of the interpretation and enforcement of the provisions of this Agreement and any related agreement, certificate or other document delivered in connection herewith and by this Agreement waive, and agree not to assert, any defense in any action for the interpretation or enforcement of this Agreement and any related agreement, certificate or other document delivered in connection herewith, that they are not subject thereto or that such action may not be brought or is not maintainable in such courts or that this Agreement may not be enforced in or by such courts or that their property is exempt or immune from execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper. Service of process with respect thereto may be made upon any party hereto by mailing a copy thereof by registered or certified mail, postage prepaid, to such party at its or his address as provided in Section 11.05.

11.14 Waiver of Jury Trial. Each party hereby acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement or the transactions contemplated by this Agreement. Each party certifies and acknowledges that (i) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, (ii) each such party understands and has considered the implications of this waiver, (iii) each such party makes this waiver voluntarily, and (iv) each such party has been induced to enter into this agreement by, among other things, the mutual waivers and certifications in this Section 11.14.

11.15 No Third Party Beneficiaries. No Person other than the parties will have any rights, remedies, obligations or benefits under any provision of this Agreement, other than Sections 9.02 and 9.02(d) (to the extent provided therein).

11.16 Representation of the Seller and its Affiliates. Buyer agrees, on its own behalf and on behalf of the Buyer Indemnitees, that, following the Closing, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. ("Mintz Levin") may serve as counsel to Seller and his Affiliates in connection with any matters related to this Agreement and the transactions contemplated hereby, including any litigation, claim or obligation arising out of or relating to this Agreement or the transactions contemplated by this Agreement notwithstanding any representation by Mintz Levin prior to the Closing Date of the Acquired Companies. Buyer and the Acquired Companies hereby (i) waive any claim they have or may have that Mintz Levin has a conflict of interest or is otherwise prohibited from engaging in such representation and (ii) agree that, in the event that a dispute arises after the Closing between Buyer, the Company, EHO and Seller or any of his Affiliates, Mintz Levin may represent Seller or any of his Affiliates in such dispute even though the interests of such Person(s) may be directly adverse to Buyer, the Acquired Companies and even though Mintz Levin may have represented the Company in a matter substantially related to such dispute. Buyer and the Company also further agree that, as to all communications among Mintz Levin and the Company, Seller, Seller's Affiliates or any of their respective representatives that relate in any way to the transactions contemplated by this Agreement, the attorney-client privilege with respect to such matters (the "Transaction Privilege") and the expectation of client confidence with respect to such matters belongs to Seller and may be controlled by Seller and will not pass to or be claimed by Buyer, the Acquired Companies. None of Buyer or its Affiliates or the Company shall access, or attempt to access, any such privileged communications. Furthermore, if such communications remain accessible on the computer network of the Company following the Closing, the continued existence of such communications on that network following the Closing shall not be, and shall not be claimed to be by the Buyer, the Company, a waiver of the attorney-client privilege held and enjoyed by Seller. Notwithstanding the foregoing, in the event that a dispute arises between Buyer, the Company and a third party other than a party to this Agreement after the Closing, the Company may assert the attorney-client privilege to prevent disclosure of confidential communications by Mintz Levin to such third party; provided, however, that the Company may not waive the Transaction Privilege.

11.17 Deliveries to Buyer. Buyer agrees and acknowledges that all documents or other items delivered to Buyer's Representatives will be deemed to be delivered to Buyer for all purposes hereunder.

11.18 Conflict Between Transaction Documents. The parties agree and acknowledge that to the extent any terms and provisions of this Agreement are in any way inconsistent with or in conflict with any term, condition or provision of any Transaction Document, this Agreement will govern and control.

11.19 Specific Performance. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by a party hereto in accordance with their specific terms or were otherwise breached by a party hereto. It is accordingly agreed that the non-breaching party(ies) will be entitled to an injunction or injunctions to prevent breaches of this Agreement by the other party(ies) and to enforce specifically the terms and provisions hereof against such other party(ies) in any court having jurisdiction under this Agreement, this being in addition to any other remedy to which the aggrieved parties are entitled at law or in equity. Notwithstanding the foregoing, as set forth in Section 6.05(c) and Section 9.02(d), respectively, it is understood and agreed that any Dispute relating to either (i) Buyer's determination that the aggregate amount of Interim Breach Losses exceeds $2,000,000, pursuant to Section 6.05(b), and any exercise by Buyer of its termination rights pursuant to Section 8.01(b) based thereon, or (ii) Buyer's determination of the Withheld Amount, pursuant to Section 9.02(d), shall be resolved in accordance with Section 11.20.

11.20 Dispute Resolution. Except for the resolution of Disputed Items pursuant to Sections 1.02 and 1.03 and Actions brought pursuant to Section 11.19:

(a) Any disagreement or dispute between the parties arising out of or related to this Agreement or any of the agreements delivered in connection herewith or any of the transactions contemplated hereby or thereby (each, a "Dispute") shall be resolved by Buyer and Seller in the manner provided in this Section 11.20. Buyer and Seller shall attempt to resolve any Dispute hereunder in good faith by meeting to discuss the Dispute within ten (10) Business Days following the original written notice of any Dispute by the party making such a claim and shall seek to resolve the Dispute in writing within thirty (30) days following the original written notice of any Dispute by the party making such a claim. No settlement reached under this Section 11.20(a) shall be binding on the parties until reduced to a writing signed on behalf of the parties by Buyer and Seller.

(b) Should Buyer and Seller fail to meet within ten (10) Business Days or fail to resolve the related outstanding Dispute within thirty (30) days following the giving of the notice as outlined in Section 11.20(a), then, the Dispute shall be settled by binding arbitration administered by the American Arbitration Association (the "AAA") in accordance with its Commercial Arbitration Rules. The parties shall conduct an arbitration hearing, commencing within ninety (90) days following the preliminary hearing with the arbitrator(s), in order to resolve the Dispute, or such portion of that Dispute that the parties are unable to resolve in the

period set forth in Section 11.20(a). A panel of three arbitrators based in the Boston, Massachusetts area shall be selected from the AAA's National Roster as follows: (i) one arbitrator shall be selected by Buyer, (ii) one arbitrator shall be selected by Seller, and (iii) one arbitrator shall be mutually agreed to by Buyer and Seller; provided that, if the parties cannot mutually agree to the third arbitrator, the third arbitrator shall be appointed pursuant to the process set forth in R-12 of the AAA's Commercial Arbitration Rules. Each arbitrator must have reasonable experience in transactions involving the purchase and sale of all or substantially all of a company's assets or equity. Each party agrees to execute an engagement letter in the customary form required by the arbitrator(s). The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect from time to time (the "Commercial Rules"), except as modified by the agreement of the parties and the other provisions contained herein, including, but not limited to the following:

(i) On any conflict between the Commercial Rules in effect from time to time and the provisions of this Agreement, the provisions of this Agreement shall be controlling.

(ii) The forum for arbitration shall be in Boston, Massachusetts. Any party may commence arbitration of a Dispute by a demand for arbitration served on the other parties to the extent that any Dispute is not fully resolved through the process and timeframe as set forth above in Sections 11.20(a) and 11.20(b).

(iii) The arbitrator(s) will be empowered to hear all Disputes, including the determination of the scope of arbitration. The parties shall meet and confer in advance of the preliminary hearing before the arbitrator(s) in order to develop a plan for discovery in advance of the hearing. Any disagreements among the parties with respect to the scope or timing of discovery shall be submitted to the arbitrator(s) during the preliminary hearing. Any such disagreement (or any other dispute regarding discovery), or the relevance or scope thereof, shall be conclusively determined by the arbitrator(s).

(iv) The arbitrators may enter a default decision against any party who fails to participate in the arbitration proceeding.

(v) The arbitrators shall be bound by and shall enforce the terms of this Agreement. The arbitrators' decision shall be made by majority vote of the arbitrators. The arbitrators' decision shall be in writing and in the form of a reasoned opinion, and a court reporter shall record all hearings. Any award rendered by the arbitrators regarding the Dispute shall be final, non-appealable, conclusive and binding upon the parties, and judgment thereon may be entered and enforced in any court of competent jurisdiction, provided that the arbitrators shall have no power or authority to grant punitive damages, injunctive relief, specific performance or other equitable relief.

(vi) The Expedited Procedures of the American Arbitration Association shall apply in any case in which no disclosed claim or counterclaim exceeds $75,000, exclusive of interest, attorneys' fees, and arbitration fees and costs.

(vii) Notwithstanding the foregoing, in the event a Dispute involves less than $250,000, such Dispute shall be determined by a single arbitrator to be mutually agreed upon by the parties. If the parties cannot agree upon such single arbitrator, such arbitrator shall be appointed pursuant to the process set forth in R-12 of the AAA's Commercial Arbitration Rules.

(viii) Notwithstanding the foregoing, nothing herein shall prohibit a party from instituting judicial proceedings to (A) compel arbitration in accordance with this Section 11.20(b); (B) obtain orders to require witnesses to obey subpoenas issued by the arbitrators or as may otherwise be necessary to facilitate the arbitration proceedings; or (C) secure confirmation or enforcement of any arbitration award rendered pursuant to this Agreement. The prevailing party shall be entitled to receive from the other party or parties' reimbursement of the prevailing party's reasonable legal fees and disbursements incurred in connection with such arbitration.

(c) Buyer and Seller shall maintain, and cause their respective Affiliates and their respective employees, agents and other representatives to maintain, the confidential nature of the existence, nature, underlying facts and circumstances, and status of the Dispute and the dispute resolution process contemplated under this Section 11.20, except as may be necessary (i) to prepare for or conduct the dispute resolution proceedings contemplated hereby, including the presentation of claims and defenses, (ii) to pursue or oppose legal remedies in court pertaining to this dispute resolution process, (iii) to comply in good faith with applicable Laws and Legal Requirements, or (iv) comply with or enforce any award pursuant to this Section 11.20. The parties reserve the right to enter into, or request from the arbitrator, a more detailed confidentiality agreement or protective order.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties have executed this Equity Purchase Agreement on the day and year first above written.

BUYER:

AMEDISYS PERSONAL CARE, LLC

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Its: Chief Financial Officer

AMEDISYS:

AMEDISYS, INC.

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Its: Chief Financial Officer

COMPANY:

ASSOCIATED HOME CARE, INC.

By: /s/ Michael Trigilio
Name: Michael Trigilio
Its: Chief Executive Officer

EHO:

ELDER HOME OPTIONS, LLC

By: /s/ Michael Trigilio
Name: Michael Trigilio
Its: Manager

SELLER:

MICHAEL TRIGILIO

/s/ Michael Trigilio

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Section 3: EX-3.2 (EX-3.2)

Exhibit 3.2

COMPOSITE BY-LAWS
OF
AMEDISYS, INC.

Incorporated under the Laws of the State of Delaware
(Inclusive of Amendments Dated April 20, 2016)

ARTICLE I
OFFICES AND RECORDS

SECTION 1.1 Delaware Office. The principal office of the Corporation in the State of Delaware shall be located in the City of Wilmington, County of New Castle.

SECTION 1.2 Other Offices. The Corporation may have such other offices, either within or without the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

SECTION 1.3 Books and Records. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

ARTICLE II
STOCKHOLDER MEETINGS

SECTION 2.1 Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held on such date and at such place and time as may be fixed by resolution of the Board of Directors.

SECTION 2.2 Special Meetings. Subject to the rights, if any, of the holders of any series of stock having a preference over the Common Stock of the Corporation as to dividends or upon liquidation ("Preferred Stock") with respect to such series of Preferred Stock, special meetings of the stockholders may be called only by the Chairman of the Board or by the President or by the Board of Directors or a Committee thereof, or by the holders of at least 30% of all the shares entitled to vote at the proposed special meeting. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting (or any supplement thereto). Notice of any special meeting shall be delivered by the Corporation pursuant to Section 2.5 of these By-Laws. The holders of the requisite percentage of voting power may request a special meeting by submitting a written notice of demand to the Secretary of the Corporation at the Corporation's principal executive offices stating the purpose or purposes of the meeting. Such written notice of demand shall be signed by the stockholder or stockholders holding the requisite percentage of the voting power to demand a special meeting and shall also set forth the information required by Section 2.8(c) of these By-Laws.

SECTION 2.3 Business at Annual and Special Stockholder Meetings.

(a) No business (including nominating persons to be elected or re-elected to the Corporation's Board of Directors) may be transacted at an annual meeting of the Corporation's stockholders other than business that is:

(i) specified in a notice of meeting (or any supplement thereto) given by or at the direction of the Corporation's Board of Directors or an authorized committee thereof;

(ii) otherwise brought before the meeting by or at the direction of the Corporation's Board of Directors or an authorized committee thereof; or

(iii) otherwise brought before the meeting:

(A) by a stockholder who was a stockholder of record at the time of giving notice provided in Section 2.8 and at the time of the meeting and who is entitled to vote at the meeting on such business (including electing or re-electing persons to the Corporation's Board of Directors) (a "Record Holder"); and

(B) who complies with the notice procedures set forth in Section 2.8 (any such Record Holder being hereafter referred to as a "Noticing Stockholder").

For the avoidance of doubt, clause (a)(iii) of this Section 2.3 shall be the exclusive means for a stockholder to nominate persons to be elected or re-elected to the Corporation's Board of Directors at an annual meeting of stockholders or to bring or submit other business before an annual meeting of stockholders (other than proposals properly brought pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the Corporation's notice of and proxy materials submitted in connection with such meeting). Nothing in this Section 2.3(a) shall be deemed to affect any rights of the holders of any series of Preferred Stock to elect directors under specified circumstances.

(b) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting (or any supplement thereto). Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected or re-elected pursuant to the Corporation's notice of meeting only:

(i) by or at the direction of the Corporation's Board of Directors or an authorized committee thereof; or

(ii) provided that the Board of Directors has determined that directors are to be elected at such special meeting, by a Noticing Stockholder who complies with the notice procedures set forth in Section 2.8.

For the avoidance of doubt, clause (b)(ii) of this Section 2.3 shall be the exclusive means for a stockholder to nominate persons to be elected or re-elected to the Corporation's Board of Directors at a special meeting of stockholders. Nothing in this Section 2.3(b) shall be deemed to affect any rights of the holders of any series of Preferred Stock to elect directors under specified circumstances.

SECTION 2.4 Place of Meeting. The Board of Directors, the Chairman of the Board, or President, as the case may be, may designate the place of meeting for any annual meeting or for any special meeting of the stockholders called by the Board of Directors, the Chairman of the Board or President. If no designation is so made, the place of meeting shall be the principal office of the Corporation.

SECTION 2.5 Notice of Meeting. Written or printed notice, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than 10 days nor more than 60 days before the date of the meeting, either personally or by mail, to each stockholder of record entitled to notice of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with Section 6.4 of these By-Laws. Any previously scheduled meeting of the stockholders may be postponed, and (unless the Certificate of Incorporation otherwise provides) any special meeting of the stockholders (other than a special meeting called at the request of holders of at least 30% of all the shares entitled to vote at the proposed special meeting) may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

SECTION 2.6 Quorum and Adjournment. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the voting power of the outstanding shares of the Corporation entitled

to vote generally in the election of directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on separately by a class or series of stock voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The Chairman of the meeting or a majority of the shares so represented may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 2.7 Proxies. At all meetings of stockholders, a stockholder may vote by proxy executed in writing (or in such manner prescribed by the General Corporation Law of the State of Delaware) by the stockholder, or by his duly authorized attorney in fact.

SECTION 2.8 Notice of Stockholder Business to be Conducted at a Meeting of Stockholders. In order for a Noticing Stockholder to (i) properly bring any item of business (including nominating persons to be elected or re-elected to the Corporation's Board of Directors) before an annual meeting of stockholders in accordance with Section 2.3(a) or (ii) nominate persons for election to the Board of Directors at a special meeting of stockholders (at which directors are to be elected or re-elected pursuant to the Corporation's notice of meeting) in accordance with Section 2.3 (b), the Noticing Stockholder must have given timely notice of that business in proper form in writing to the Secretary of the Corporation in compliance with the requirements of this Section 2.8 and such business must otherwise be a proper matter for stockholder action under relevant law. This Section 2.8 shall constitute an "advance notice provision" for annual meetings of stockholders for purposes of Rule 14a-4(c)(1) under the Exchange Act. Certain capitalized terms used in this Section 2.8 are defined in subsection (d), below.

(a) To be timely, a Noticing Stockholder's notice required by these By-Laws must be delivered to the Secretary at the Corporation's principal executive offices in proper written form:

(i) *Annual Meeting Deadlines*. In connection with business (including nominating persons to be elected or re-elected to the Corporation's Board of Directors) to be properly brought at an annual meeting of stockholders in accordance with Section 2.3(a), not earlier than the close of business on the one hundred twentieth (120th) day and not later than the close of business on the ninetieth (90th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to the date of such annual meeting and not later than the close of business on the later of: (A) the ninetieth (90th) day prior to the date of such annual meeting or, (B) if the first Public Announcement of the date of such annual meeting is less than one hundred (100) days prior to the date of such annual meeting, the tenth (10th) day following the day on which Public Announcement of the date of such annual meeting is first made by the Corporation; and

(ii) *Special Meeting Deadlines*. In connection with the nomination of persons for election to the Board of Directors at a special meeting of stockholders (at which directors are to be elected or re-elected pursuant to the Corporation's notice of meeting) in accordance with Section 2.3(b), not earlier than the close of business on the one-hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of: (A) the ninetieth (90th) day prior to such special meeting, or (B) the tenth (10th) day following the day on which Public Announcement of the date of the special meeting is first made by the Corporation.

In no event shall any adjournment, deferral or postponement of an annual or special meeting of stockholders, or the announcement thereof, commence a new time period for the giving of a stockholder's notice as described above.

(b) Notwithstanding anything in Section 2.8(a) to the contrary, if the number of persons to be elected to the Corporation's Board of Directors is increased and there is no Public Announcement by the

Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year's annual meeting, a Noticing Stockholder's notice required by these By-Laws shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is delivered to the Secretary at the Corporation's principal executive offices not later than the close of business on the tenth (10th) day following the day on which the Public Announcement naming all nominees or specifying the size of the increased Board of Directors is first made by the Corporation.

(c) To be in proper form, whether in regard to nominating persons to be elected or re-elected to the Corporation's Board of Directors or any other business, a Noticing Stockholder's written notice required by these By-Laws must completely and accurately:

(i) Set forth, as to each Noticing Stockholder and, if a Noticing Stockholder holds for the benefit of another, the beneficial owner on whose behalf the nomination or proposal is made (any Noticing Stockholder or such beneficial owner a "Holder" and, collectively, "Holders"), the following information together with a representation as to the completeness and accuracy of the information:

(A) (i) the name and address of the Noticing Stockholder as they appear on the Corporation's books and the residence address (if different from the Corporation's books) of the Noticing Stockholder, (ii) if the Noticing Stockholder holds for the benefit of another, the name and address of such beneficial owner and (iii) the name and address of any Holder Associated Person covered by this Section 2.8(c)(i);

(B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned beneficially or of record by each Holder and each Holder Associated Person covered by this Section 2.8(c)(i), and the date such ownership was acquired;

(C) a description of any Derivative Instrument that is directly or indirectly owned beneficially by any Holder or Holder Associated Person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares or other securities of the Corporation;

(D) any proxy, contract, arrangement, understanding, or relationship pursuant to which any Holder or Holder Associated Person has a right to vote or has granted a right to vote any securities (including the shares of common stock) of the Corporation;

(E) a description of any Hedging Transaction entered into by or on behalf of any Holder or Holder Associated Person;

(F) any rights to dividends or other distributions on the shares or other securities of the Corporation owned beneficially by any Holder or Holder Associated Person that are separated or separable from the underlying shares or other securities of the Corporation;

(G) any proportionate interest in shares or other securities of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership or limited liability company or other entity in which any Holder or Holder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, is the manager, managing member or directly or indirectly beneficially owns an interest in the manager or managing member of a limited liability company or similar entity;

(H) any performance-related fees (other than an asset-based fee) that any Holder or Holder Associated Person is entitled to based on any increase or decrease in the value of shares or other securities of the Corporation or Derivative Instruments, if any;

(I) a representation that the Noticing Stockholder intends to appear in person or by proxy at the meeting to nominate the persons named or propose the business specified in the notice, together with a statement whether the Noticing Stockholder intends to deliver a proxy

statement or form of proxy to holders of at least the percentage of the Corporation's outstanding shares required to approve the nomination or the business proposed or otherwise to solicit proxies from Corporation's stockholders in support of the nomination or the business proposed; and

(J) any other information relating to the Holder and any Holder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations thereunder (even if an election contest or proxy solicitation is not involved), or is otherwise required pursuant to Section 14 of the Exchange Act.

(ii) If a Noticing Stockholder's notice required by these By-Laws relates to any business other than the nomination of one or more persons to be elected or re-elected to the Corporation's Board of Directors that is proposed to be brought before the meeting, the notice also must set forth:

(A) a brief description of the business desired to be brought before the meeting (including the specific text of any resolutions or actions proposed for consideration and if such business includes the proposal to amend the Corporation's Certificate of Incorporation or By-Laws, the specific language of the proposed amendment) and the reasons for conducting such business at the meeting; and

(B) a description of all direct and indirect agreements, arrangements or understandings between the Holder, any Holder Associated Person and any other Person (including their names) in connection with the proposal of such business by the Holder and any material direct or indirect interest of the Holder, any Holder Associated Person or any such other Person in such business.

(iii) If a Noticing Stockholder's notice required by these By-Laws relates to the nomination of a person (each such person a "Nominee" and collectively, "Nominees") to be elected or re-elected to the Corporation's Board of Directors, the written notice, as to each Nominee, also must:

(A) set forth the Nominee's name, age, business and residence address and principal occupation or employment and the class or series and number of shares of common stock or other securities of the Corporation that are directly or indirectly owned beneficially or of record by the Nominee and all such other information that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election (even if an election contest or proxy solicitation is not involved), or is otherwise required, pursuant to Section 14 of the Exchange Act and the rules and regulations thereunder (including the Nominee's written consent to being named in the proxy statement as a nominee, if applicable, and to serving as a director if elected);

(B) set forth a description (including party names) of any agreements, arrangements or understandings (including financial transactions) between or among the Holder, any Holder Associated Person or any Nominee, on the one hand, and any other Persons (including any Holder Associated Person and any Nominee), on the other hand, in connection with the Nominee's nomination; and

(C) set forth a description of all direct and indirect compensation and any other material monetary agreements, arrangements or understandings during the past three years, and any other material relationships, between or among the Holder, any Holder Associated Person and their respective Affiliates and Associates, or other Persons acting in concert therewith, on the one hand, and each Nominee, and his or her respective Affiliates and Associates, or other Persons acting in concert therewith, on the other hand.

(iv) Any notice submitted pursuant to this Section 2.8(c) shall be updated and supplemented by the Holder in writing and delivered to the Secretary at the Corporation's principal executive offices

not later than 10 days after the record date for the meeting, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

(d) In addition to the other terms that are defined in these By-Laws, for purposes of these By-Laws, the following terms shall have the respective meanings ascribed thereto:

(i) "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another specified Person.

(ii) "Associate" means, with respect to a specified Person:

(A) any corporation or organization of which that Person is an officer or partner or of which that Person is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity securities;

(B) any trust or other estate in which that Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; or

(C) any Immediate Family Member of that Person.

(iii) "Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(iv) "Derivative Instrument" means any derivative positions including, without limitation, any option, warrant, convertible security, stock appreciation right, profits interest or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares or other securities of the Corporation or with a value derived in whole or in part from the value of any class or series of shares or other securities of the Corporation, whether or not the instrument or right shall be subject to settlement in the underlying class or series of shares or other securities of the Corporation or otherwise and any performance-related fees to which such Holder or Holder Associated Person is entitled based, directly or indirectly, on any increase or decrease in the value of shares or other securities of the Corporation.

(v) "Hedging Transaction" means, any hedging or other transaction (such as borrowed or loaned shares) or series of transactions, or any other agreement, arrangement or understanding, the effect or intent of which is to increase or decrease the voting power or economic or pecuniary interest of a Holder or Holder Associated Person with respect to the Corporation's securities, including, without limitation, a short interest in any securities (including the shares of common stock) of the Corporation (for purposes of these By-Laws a person shall be deemed to have a short interest in a security if a Holder or Holder Associated Person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value or price of the subject security).

(vi) "Holder Associated Person" means, with respect to any Holder, (A) any person acting in concert with such Holder, (B) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such Holder (other than a stockholder that is a depositary) and (C) any Person, directly or indirectly, controlling, controlled by or under common control with any Holder, or any Holder Associated Person identified in clauses (A) or (B) above.

(vii) "Immediate Family Member" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of a specified person, and any person (other than a tenant or employee) sharing the household of such specified person.

(viii) "Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

(ix) "Public Announcement" means disclosure by the Corporation in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or comparable national news service or in a document publicly filed with or furnished by the Corporation to the Securities and Exchange Commission pursuant to Section 13, 14, or 15(d) of the Exchange Act and the rules and regulations thereunder.

(e) Only those persons who are nominated in accordance with the procedures set forth in these By-Laws shall be eligible to serve as directors. Only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in these By-Laws. Except as otherwise provided by law, the Certificate of Incorporation, or these By-Laws, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in compliance with the procedures set forth in these By-Laws and, if any nomination or proposed business is not in compliance with these By-Laws, to declare that such nomination or proposed business is defective, in which case it shall be disregarded.

(f) In addition to the foregoing provisions of these By-Laws, a Holder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these By-Laws; provided, however, that any references in these By-Laws to the Exchange Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to Section 2.3 or Section 2.8.

(g) Nothing in these By-Laws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act. In addition, nothing in these By-Laws shall be deemed to affect any rights of the holders of any series of Preferred Stock to elect directors under specified circumstances.

SECTION 2.9 Procedure for Election of Directors; Required Vote. Election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot unless the presiding officer at the meeting determines that written ballots are unnecessary, and subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, a plurality of the votes cast thereat shall elect directors. Except as otherwise provided by law, the Certificate of Incorporation, or these By-Laws, in all matters other than the election of directors, the affirmative vote of the holders of a majority of the voting power represented by the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

SECTION 2.10 Inspectors of Elections; Opening and Closing the Polls. The Board of Directors by resolution may appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the Chairman of the meeting may appoint one or more inspectors to act at the meeting. Each inspector, before discharging such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspectors shall have the duties prescribed by law.

The Chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

SECTION 2.11 Record Date for Action by Written Consent. In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is

adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary (which written notice must set forth the information required by Section 2.8(c) of these By-Laws and include a copy of the proposed written consent), request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within 10 days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business or to any officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

SECTION 2.12 Inspectors of Written Consent. In the event of the delivery, in the manner provided by Section 2.11, to the Corporation of the requisite written consent or consents to take corporate action and/or any related revocation or revocations, the Corporation shall engage nationally recognized independent inspectors of elections for the purpose of promptly performing a ministerial review of the validity of the consents and revocations. For the purpose of permitting the inspectors to perform such review, no action by written consent without a meeting shall be effective until such date as the independent inspectors certify to the Corporation that the consents delivered to the Corporation in accordance with Section 2.11 represent at least the minimum number of votes that would be necessary to take the corporate action. Nothing contained in this paragraph shall in any way be construed to suggest or imply that the Board of Directors or any stockholder shall not be entitled to contest the validity of any consent or revocation thereof, whether before or after such certification by the independent inspectors, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

SECTION 2.13 Effectiveness of Written Consent. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated written consent received in accordance with Section 2.11, a written consent or consents signed by a sufficient number of holders to take such action are delivered to the Corporation in the manner prescribed in Section 2.11.

ARTICLE III
BOARD OF DIRECTORS

SECTION 3.1 General Powers. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

SECTION 3.2 Number and Tenure. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the business and affairs of the Corporation shall be managed by the Board of Directors of not less than three nor more than 15 persons, the exact number thereof to be determined from time to time by resolution of the Board of Directors. Each director shall serve for a term expiring at the next annual meeting of stockholders and until his successor shall have been duly elected and qualified. Directors need not be stockholders.

SECTION 3.3 Chairman of the Board. The Chairman of the Board shall be chosen from among the Directors. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board shall perform all duties incidental to his office which may be required by law and all such other duties as are properly required of him by the Board of Directors. In the event the Board has elected Co-Chairmen of the Board, each Co-Chairman shall have the authority to act as a Chairman of the Board as provided in these By-laws.

SECTION 3.4 Lead Director. Whenever the Chairman of the Board is an executive officer of the Corporation the Board shall appoint one of the independent directors, within the meaning of then effective NASDAQ Marketplace Rules, as Lead Director of the Corporation to lead the Board in fulfilling its duties effectively, efficiently and independent of management. Specifically, the Lead Director is responsible for the following:

(a) Enhance Board Effectiveness

(i) Ensure the Board works as a cohesive team under his/her leadership.

(ii) Ensure the Board has adequate resources, especially by way of full, timely and relevant information to support its decision-making.

(iii) Ensure a process is in place to monitor best practices which relate to the responsibilities of the Board.

(iv) Assess the effectiveness of the overall Board, its committees and individual directors on a regular basis.

(b) Manage the Board

(i) Provide input to the Chairman on the scheduling and preparation of agendas for Board and committee meetings.

(ii) Consult with the Chairman and the Board on the membership of, chairs for, and effectiveness of, Board committees.

(iii) Consult with the Chairman on the retention of consultants who report directly to the Board.

(iv) Ensure that the independent directors meet at least annually to discuss, without management present, (A) whether delegated committee functions are being carried out and reported to the board, (B) CEO and Board performance, (C) succession planning, (D) strategic planning, and (E) such other issues as the independent directors deem appropriate.

(v) Chair Board meetings when the Chairman is not in attendance.

(c) Liaison Between Board and Management

(i) Communicate to management as appropriate the results of private discussions among outside directors.

SECTION 3.5 Regular Meetings. Regular meetings of the Board of Directors shall be held without notice at such time and at such place as shall from time to time be determined by the Board.

SECTION 3.6 Special Meetings. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board or a majority of the Board of Directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

SECTION 3.7 Notice of Board Meetings. Notice of any special meeting of directors shall be given to each director at the director's business or residence in writing by hand delivery, first-class or overnight mail or courier service or by telegram or facsimile transmission, by electronic transmission or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five days before such meeting. If by telegram, overnight mail or courier service, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company or the notice is delivered to the overnight mail or courier service company at least 24 hours before such meeting. If by facsimile transmission or by electronic transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least 12 hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least 12 hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these By-Laws, as provided under Section 8.1. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 6.4 of these By-Laws.

SECTION 3.8 Action by Consent of Board of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

SECTION 3.9 Conference Telephone Meetings. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.10 Quorum. Subject to Section 3.9, a whole number of directors equal to at least a majority of the total number of directors which the Corporation would have if there were no vacancies ("Whole Board") shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

SECTION 3.11 Vacancies. Subject to applicable law and the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

SECTION 3.12 Executive and Other Committees. The Board of Directors may, by resolution adopted by a majority of the Whole Board, designate an Executive Committee to exercise, subject to and to the full extent of applicable provisions of law, all the powers of the Board in the management of the business and affairs of the Corporation when the Board is not in session and may, by resolution similarly adopted, designate one or more other committees. The Executive Committee may not, however (i) approve or adopt, or recommend to the stockholders of the Corporation, any action or matter expressly required by the General Corporation Law of the State of Delaware to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any By-Law of the Corporation. The Executive Committee and each such other committee shall consist of two or more directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, other than

the Executive Committee (the powers of which are expressly provided for herein), may to the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Board when required.

A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide. Notice of such meetings shall be given to each member of the committee in any such manner as the committee may determine from time to time. A majority of the Whole Board shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board from appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, however, that no such committee shall have or may exercise any authority of the Board.

SECTION 3.13 Removal. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any director, or the entire Board of Directors, may be removed from office at any time, either with or without cause, by the affirmative vote of holders of a majority of the voting power of shares of Voting Stock.

SECTION 3.14 Records. The Board of Directors shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board and of the stockholders, appropriate stock books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Corporation.

ARTICLE IV
OFFICERS

SECTION 4.1 Elected Officers. The elected officers of the Corporation shall be a Chief Executive Officer, a President, a Secretary, a Treasurer, and such other officers (including, without limitation, a Chief Financial Officer) as the Board of Directors from time to time may deem proper. All officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. The Board or any committee thereof may from time to time elect, or the Chief Executive Officer may appoint, such other officers (including one or more Assistant Vice Presidents, Assistant Secretaries, Assistant Treasurers, and Assistant Controllers) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these By-Laws or as may be prescribed by the Board or such committee or by the Chief Executive Officer, as the case may be.

SECTION 4.2 Election and Term of Office. The elected officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after the annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his successor shall have been duly elected and shall have been qualified or until his death, resignation or removal.

SECTION 4.3 Chief Executive Officer. The Chief Executive Officer shall be responsible for the general management of the affairs of the Corporation and shall perform all duties incidental to this office which may be required by law and all such other duties as are properly required of this officer by the Board of Directors. The

Chief Executive Officer shall make reports to the Board of Directors and the stockholders, and shall see that all orders and resolutions of the Board of Directors and of any committee thereof are carried into effect. The Chief Executive Officer may also serve as President, if so elected by the Board.

SECTION 4.4 President. The President shall act in a general executive capacity and shall assist the Chief Executive Officer in the administration and operation of the Corporation's business and general supervision of its policies and affairs. The President shall, in the absence of or because of the inability to act of the Chief Executive Officer, perform all duties of the Chief Executive Officer.

SECTION 4.5 Vice-Presidents. Each Vice President shall have such powers and shall perform such duties as shall be assigned to him by the Board of Directors or the Chief Executive Officer.

SECTION 4.6 Chief Financial Officer. The Chief Financial Officer (if any) shall be a Vice President and act in an executive financial capacity. He shall assist the Chief Executive Officer and the President in the general supervision of the Corporation's financial policies and affairs.

SECTION 4.7 Treasurer. The Treasurer shall exercise general supervision over the receipt, custody and disbursement of corporate funds. The Treasurer shall cause the funds of the Corporation to be deposited in such banks as may be authorized by the Board of Directors, or in such banks as maybe designated as depositaries in the manner provided by resolution of the Board of Directors. He shall have such further powers and duties and shall be subject to such directions as may be granted or imposed upon him from time to time by the Board of Directors or the Chief Executive Officer.

SECTION 4.8 Secretary. The Secretary shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Board, the committees of the Board and the stockholders; he shall see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law; he shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal; and he shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and in general, he shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board or the Chief Executive Officer.

SECTION 4.9 Removal. Any officer or agent may be removed at any time by the affirmative vote of a majority of the Whole Board or, except in the case of an officer or agent elected by the Board, by the Chief Executive Officer. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

SECTION 4.10 Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors. Any vacancy in an office appointed by the Chief Executive Officer because of death, resignation, or removal may be filled by the Chief Executive Officer.

ARTICLE V
STOCK CERTIFICATES AND TRANSFERS

SECTION 5.1 Stock Certificates and Transfers.

(a) The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe;

provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the stock of the Corporation shall be represented by uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

(b) The shares of stock represented by certificates shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolutions may permit all or any of the signatures on such certificates (if any) to be by facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

(c) The shares of the stock of the Corporation represented by certificates shall be transferred on the books of the Corporation by the holder thereof in person or by his attorney, upon surrender for cancellation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares, such uncertificated shares shall be canceled and issuance of new equivalent uncertificated shares or certificated shares (if authorized) shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation.

(d) Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to the General Corporation Law of the State of Delaware or, unless otherwise provided by the General Corporation Law of the State of Delaware, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

SECTION 5.2 Lost, Stolen or Destroyed Certificates. No certificate for shares of stock nor uncertificated shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or any financial officer may in its or his discretion require.

ARTICLE VI
MISCELLANEOUS PROVISIONS

SECTION 6.1 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of December of each year.

SECTION 6.2 Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 6.3 Seal. The Corporation need not have a corporate seal, but if it does the corporate seal shall have inscribed thereon the words "Corporate Seal", the year of incorporation and around the margin thereof the words "Amedisys, Inc. – Delaware"

SECTION 6.4 Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the General Corporation Law of the State of Delaware or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after

the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 6.5 Audits. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be done annually.

SECTION 6.6 Resignations. Any director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chief Executive Officer, the President, or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chief Executive Officer, the President, or the Secretary, or at such later time as is specified therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

SECTION 6.7 Indemnification and Insurance. In addition to the indemnification rights provided in the Certificate of Incorporation:

(a) Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that such person or a person of whom such person is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended(but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement)reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of such person's heirs, executors and administrators; provided, however, that except as provided in paragraph (c) of this By-Law, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this By-Law shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition, such advances to be paid by the Corporation within 20 days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, that if the General Corporation Law of the State of Delaware requires, the payment of such expenses incurred by a director or officer in such persons capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this By-Law or otherwise.

(b) To obtain indemnification under this By-Law, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first

sentence of this paragraph (b), a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (i) by the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (ii) if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the claimant, or (iii) if a quorum of Disinterested Directors so directs, by the stockholders of the Corporation. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within 10 days after such determination.

(c) If a claim under paragraph (a) of this By-Law is not paid in full by the Corporation within 30 days after a written claim pursuant to paragraph (b) of this By-Law has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standard of conduct which makes it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, Independent Counselor stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because such claimant has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, Independent Counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(d) If a determination shall have been made pursuant to paragraph (b) of this By-Law that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to paragraph (c) of this By-Law.

(e) The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to paragraph (C) of this By-Law that the procedures and presumptions of this By-Law are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this By-Law.

(f) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this By-Law shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Laws, agreement, vote of stockholders or Disinterested Directors or otherwise. No repeal or modification of this By-Law shall in anyway diminish or adversely affect the rights of any director, officer, employee or agent of the Corporation hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

(g) The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware. To the extent that the Corporation maintains any policy or policies providing such insurance, each such director or officer, and each such agent or employee to which rights to indemnification have been granted as provided in paragraph (h) of this By-Law, shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such director, officer, employee or agent.

(h) The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any

proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this By-Law with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

(i) If any provision or provisions of this By-Law shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this By-Law (including, without limitation, each portion of any paragraph of this By-Law containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in anyway be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this By-Law (including, without limitation, each such portion of any paragraph of this By-Law containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(j) For purposes of this By-Law:

(i) "Disinterested Director" means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(ii) "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant's rights under this By-Law.

(k) Any notice, request or other communication required or permitted to be given to the Corporation under this By-Law shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

ARTICLE VII
CONTRACTS, PROXIES, ETC.

SECTION 7.1 Contracts. Except as otherwise required by law, the Certificate of Incorporation or these By-Laws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board may determine. The Chief Executive Officer, the President or any Vice President may execute bonds, contracts, deeds, leases and other instruments to be made or executed for or on behalf of the Corporation. Subject to any restrictions imposed by the Board of Directors or the Chief Executive Officer, the President or any Vice President of the Corporation may delegate contractual powers to others under his jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

SECTION 7.2 Proxies. Unless otherwise provided by resolution adopted by the Board of Directors, the Chief Executive Officer, the President or any Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

ARTICLE VIII
AMENDMENTS

SECTION 8.1 Amendments. Except as expressly provided otherwise by the Delaware General Corporation Law, the Certificate of Incorporation of the Corporation, or other provisions of these By-Laws, these By-Laws may be altered, amended or repealed and new By-Laws adopted at any regular or special meeting of the Board of Directors by an affirmative vote of a majority of the Whole Board.

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Section 4: EX-31.1 (EX-31.1)

Exhibit 31.1

CERTIFICATION

I, Paul B. Kusserow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, of Amedisys, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2016

/S/ Paul B. Kusserow

Paul B. Kusserow
President and Chief Executive Officer
(Principal Executive Officer)

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Section 5: EX-31.2 (EX-31.2)

Exhibit 31.2

CERTIFICATION

I, Ronald A. LaBorde, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, of Amedisys, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2016

/S/ Ronald A. LaBorde

Ronald A. LaBorde
Vice Chairman and Chief Financial Officer
(Principal Financial Officer)

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Section 6: EX-32.1 (EX-32.1)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Amedisys, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2016 (the "Report"), I, Paul B. Kusserow, President and Chief Executive Officer of the Company, hereby certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 4, 2016

/S/ Paul B. Kusserow

Paul B. Kusserow
President and Chief Executive Officer
(Principal Executive Officer)

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Section 7: EX-32.2 (EX-32.2)

Exhibit 32.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Amedisys, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2016 (the "Report"), I, Ronald A. LaBorde, Chief Financial Officer of the Company, hereby certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 4, 2016

/S/ Ronald A. LaBorde

Ronald A. LaBorde
Vice Chairman and Chief Financial Officer
(Principal Financial Officer)

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