Section 1: 10-Q (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 September 30, 2013

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, 32,460,456 shares outstanding as of November 7, 2013.

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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, our ability to divest care centers currently held for sale, 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 agree on the terms of a settlement to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral matter or fund required settlement payments in the manner currently contemplated and changes in law or developments with respect to any litigation or investigations relating to the Company, including the SEC investigation, the OIG Self-Disclosure issues and 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, 2012, filed with the SEC on March 12, 2013, 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 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)
(Unaudited)

	September 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 43,626	$ 14,545
Patient accounts receivable, net of allowance for doubtful accounts of $15,601 and $20,994	111,149	169,172
Prepaid expenses	11,460	10,631
Deferred income taxes	57,008	—
Other current assets	9,819	11,440
Assets held for sale	1,348	—
Total current assets	234,410	205,788
Property and equipment, net of accumulated depreciation of $125,392 and $113,154	160,077	156,709
Goodwill	208,126	209,594
Intangible assets, net of accumulated amortization of $24,926 and $23,457	42,332	47,050
Deferred tax asset	83,123	92,804
Other assets, net	26,501	18,650
Total assets	$ 754,569	$ 730,595
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 24,362	$ 29,175
Accrued charge related to U.S. Department of Justice settlement	150,000	—
Payroll and employee benefits	68,923	79,341
Accrued expenses	54,340	54,855
Current portion of long-term obligations	34,855	35,807
Current portion of deferred income taxes	—	5,609
Total current liabilities	332,480	204,787
Long-term obligations, less current portion	36,000	66,904
Other long-term obligations	8,297	4,671
Total liabilities	376,777	276,362
Commitments and Contingencies—Note 6		
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; 33,278,397, and 31,876,508 shares issued; and 32,409,474 and 31,086,619 shares outstanding	33	32
Additional paid-in capital	462,962	450,792
Treasury Stock at cost 868,923, and 789,889 shares of common stock	(18,080)	(17,116)
Accumulated other comprehensive income	15	15
Retained earnings	(67,932)	18,617
Total Amedisys, Inc. stockholders' equity	376,998	452,340
Noncontrolling interests	794	1,893
Total equity	377,792	454,233
Total liabilities and equity	$ 754,569	$ 730,595

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

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

	For the Three-Month Periods Ended September 30,		For the Nine-Month Periods Ended September 30,	
	2013	2012	2013	2012
Net service revenue	$ 301,639	$ 364,343	$ 947,165	$ 1,090,673
Cost of service, excluding depreciation and amortization	175,483	206,970	539,582	612,929
General and administrative expenses:				
Salaries and benefits	73,993	78,711	229,123	246,155
Non-cash compensation	1,653	1,284	4,933	6,065
Other	40,360	46,760	123,734	135,564
Provision for doubtful accounts	3,971	5,487	12,531	15,788
Depreciation and amortization	10,471	9,771	32,152	29,375
U.S. Department of Justice settlement	150,000	—	150,000	—
Operating expenses	455,931	348,983	1,092,055	1,045,876
Operating (loss) income	(154,292)	15,360	(144,890)	44,797
Other income (expense):				
Interest income	18	10	40	52
Interest expense	(687)	(1,982)	(2,523)	(6,058)
Equity in earnings from equity investments	354	390	1,054	1,091
Gain on sale of care centers	1,451	—	1,808	—
Miscellaneous, net	5,102	(9)	5,296	298
Total other income (expense), net	6,238	(1,591)	5,675	(4,617)
(Loss) income before income taxes	(148,054)	13,769	(139,215)	40,180
Income tax benefit (expense)	56,962	(3,332)	53,454	(14,296)
(Loss) income from continuing operations	(91,092)	10,437	(85,761)	25,884
Discontinued operations, net of tax	(686)	(442)	(2,036)	(2,460)
Net (loss) income	(91,778)	9,995	(87,797)	23,424
Net loss (income) attributable to noncontrolling interests	709	(73)	1,248	(200)
Net (loss) income attributable to Amedisys, Inc.	$ (91,069)	$ 9,922	$ (86,549)	$ 23,224
Basic earnings per common share:				
(Loss) income from continuing operations attributable to Amedisys, Inc. common stockholders	$ (2.87)	$ 0.34	$ (2.72)	$ 0.86
Discontinued operations, net of tax	(0.02)	(0.01)	(0.06)	(0.08)
Net (loss) income attributable to Amedisys, Inc. common stockholders	$ (2.89)	$ 0.33	$ (2.78)	$ 0.78
Weighted average shares outstanding	31,505	30,055	31,102	29,741
Diluted earnings per common share:				
(Loss) income from continuing operations attributable to Amedisys, Inc. common stockholders	$ (2.87)	$ 0.34	$ (2.72)	$ 0.85
Discontinued operations, net of tax	(0.02)	(0.01)	(0.06)	(0.08)
Net (loss) income attributable to Amedisys, Inc. common stockholders	$ (2.89)	$ 0.33	$ (2.78)	$ 0.77
Weighted average shares outstanding	31,505	30,423	31,102	30,068
Amounts attributable to Amedisys, Inc. common stockholders:				
(Loss) income from continuing operations	$ (90,383)	$ 10,364	$ (84,513)	$ 25,684
Discontinued operations, net of tax	(686)	(442)	(2,036)	(2,460)
Net (loss) income	$ (91,069)	$ 9,922	$ (86,549)	$ 23,224

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

AMEDISYS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Amounts in thousands)
(Unaudited)

	For the Three-Month Periods Ended September 30,		For the Nine-Month Periods Ended September 30,	
	2013	2012	2013	2012
Net (loss) income	$ (91,778)	$ 9,995	$ (87,797)	$ 23,424
Other comprehensive income				
Unrealized gain on deferred compensation plan assets	—	—	—	2
Comprehensive (loss) income	(91,778)	9,995	(87,797)	23,426
Comprehensive loss (income) attributable to non-controlling interests	709	(73)	1,248	(200)
Comprehensive (loss) income attributable to Amedisys, Inc.	$ (91,069)	$ 9,922	$ (86,549)	$ 23,226

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

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

	For the Nine-Month Periods Ended September 30,	
	2013	2012
Cash Flows from Operating Activities:		
Net (loss) income	$ (87,797)	$ 23,424
Adjustments to reconcile net income to net cash provided by operating activities:		
U.S. Department of Justice settlement	150,000	—
Depreciation and amortization	28,730	30,046
Provision for doubtful accounts	12,853	16,286
Non-cash compensation	4,933	6,065
401(k) employer match	6,200	7,575
Loss on disposal of property and equipment	1,239	1,066
Gain on sale of care centers	(1,808)	—
Deferred income taxes	(53,611)	8,599
Write off of intangible assets	3,828	—
Equity in earnings of equity investments	(1,054)	(1,091)
Amortization of deferred debt issuance costs	548	1,182
Return on equity investment	975	1,050
Changes in operating assets and liabilities, net of impact of acquisitions:		
Patient accounts receivable	45,170	(31,686)
Other current assets	1,409	2,875
Other assets	(2,069)	(483)
Accounts payable	(8,111)	194
Accrued expenses	(11,198)	(10,815)
Other long-term obligations	3,625	(421)
Net cash provided by operating activities	93,862	53,866
Cash Flows from Investing Activities:		
Proceeds from sale of deferred compensation plan assets	128	239
Proceeds from the sale of property and equipment	126	609
Purchases of deferred compensation plan assets	(93)	(155)
Purchases of property and equipment	(28,983)	(32,198)
Purchase of investments	(9,732)	—
Acquisitions of businesses, net of cash acquired	(627)	(8,744)
Proceeds from dispositions of care centers	3,725	—
Net cash used in investing activities	(35,456)	(40,249)
Cash Flows from Financing Activities:		
Proceeds from issuance of stock upon exercise of stock options and warrants	258	145
Proceeds from issuance of stock to employee stock purchase plan	2,436	2,934
Non-controlling interest distribution	(163)	(105)
Proceeds from revolving line of credit	25,500	—
Repayments of revolving line of credit	(25,500)	—
Principal payments of long-term obligations	(31,856)	(25,489)
Net cash used in financing activities	(29,325)	(22,515)
Net increase (decrease) in cash and cash equivalents	29,081	(8,898)
Cash and cash equivalents at beginning of period	14,545	48,004
Cash and cash equivalents at end of period	$ 43,626	$ 39,106
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 2,384	$ 6,896
Cash paid for income taxes, net of refunds received	$ 3,235	$ 1,620
Supplemental Disclosures of Non-Cash Financing and Investing Activities:		
Notes payable issued for software licenses	$ —	$ 2,214
Acquired non-controlling interests	$ 312	$ —

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 84% of our revenue derived from Medicare for the three and nine-month periods ended September 30, 2013 and approximately 82% for the three and nine-month periods ended September 30, 2012. As of September 30, 2013, we owned and operated 405 Medicare-certified home health care centers, including 28 care centers held for sale, 94 Medicare-certified hospice care centers and one hospice inpatient unit in 37 states within the United States, the District of Columbia and Puerto Rico.

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, 2012 as filed with the Securities and Exchange Commission ("SEC") on March 12, 2013 (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 period's financial statements in order to conform to the current period's presentation. We exited three home health care centers during 2012, and have committed to a plan to divest approximately 28 care centers. In accordance with applicable accounting guidance, the results of operations for these care centers are presented in discontinued operations in our condensed consolidated financial statements. See Note 3 for additional information regarding our discontinued operations. In addition during 2013, we have consolidated 32 care centers with care centers servicing the same markets, which may affect the comparability of our operating results.

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 investments that are accounted for as set forth below.

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%. During the three-month period ended September 30, 2013, we recorded a $1.3 million goodwill impairment charge related to an investment we currently consolidate. Third party equity interests in our consolidated joint ventures are reflected as noncontrolling interests in our condensed consolidated financial statements.

During the three-month period ended September 30, 2013, we sold a 30% interest in three of our care centers while maintaining controlling interests in the newly formed joint venture. We are accounting for this investment as a consolidated joint venture. The total cash consideration was $1.6 million resulting in a gain of $1.4 million.

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 $8.8 million as of September 30, 2013 and $4.8 million as of December 31, 2012. 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. The aggregate carrying amount of our cost method investment, which was acquired during the three-month period ended March 31, 2013, was $5.0 million as of September 30, 2013.

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 are unable to produce documentation of a face to face encounter between the patient and physician.

We make adjustments to Medicare revenue on completed episodes to reflect differences between estimated and actual payment amounts, an inability to obtain appropriate billing documentation, authorizations acceptable to the payor, or face to face documentation 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. In addition, management evaluates the potential for revenue adjustments and, when appropriate, provides allowances based upon the best available information. 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 September 30, 2013 and 2012, 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 100% and 99% of our total net Medicare hospice service revenue for the three and nine-month periods ended September 30, 2013, respectively, as compared to 100% and 98% for the three and nine-month periods ended September 30, 2012, respectively. We make adjustments to Medicare revenue for an inability to obtain appropriate billing documentation, acceptable authorizations or face to face documentation 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 a cap has been exceeded. We record these adjustments as a reduction to revenue and an increase in other accrued liabilities. We have settled our Medicare hospice reimbursements for all fiscal years through October 31, 2011. For the Federal cap years ended October 31, 2012 and October 31, 2013, we have $3.0 million and $4.8 million recorded for estimated amounts due back to Medicare in other accrued liabilities as of September 30, 2013 and December 31, 2012, respectively. As a result of our adjustments, we believe our revenue and patients accounts receivable are recorded at amounts that will be ultimately realized.

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. There is no single payor, other than Medicare, that accounts for more than 10% of our total outstanding patient receivables, and 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 70% and 68% of our net patient accounts receivable at September 30, 2013 and December 31, 2012, 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 and nine-month periods ended September 30, 2013, we recorded $2.5 million and $9.1 million, respectively, in estimated revenue adjustments to Medicare as compared to $2.7 million and $7.4 million during the three and nine-month periods ended September 30, 2012, respectively.

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.

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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 collectibility 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.

Fair Value of Financial Instruments

The following details our financial instruments where the carrying value and the fair value differ (amounts in millions):

		Fair Value at Reporting Date Using		
Financial Instrument	As of September 30, 2013	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-term obligations	$ 70.9	$ —	$ 70.3	$ —

The estimates of the fair value of our long-term debt are based upon a discounted present value analysis of future cash flows. Due to the existing uncertainty in the capital and credit markets the actual rates that would be obtained to borrow under similar conditions could materially differ from the estimates we have used.

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.

For our other financial instruments, including our cash and cash equivalents, patient accounts receivable, accounts payable and accrued expenses, we estimate the carrying amounts' approximate fair value. Our deferred compensation plan assets are recorded at fair value.

Income Taxes

We use the asset and liability approach for measuring deferred tax assets and liabilities based on temporary differences existing at each balance sheet date using currently enacted tax rates. Our deferred tax calculation requires us to make certain estimates about future operations. Deferred tax assets are reduced by a valuation allowance when we believe it is more likely than not that some portion or all of the deferred tax assets will not be realized.

During our annual review of our tax filing we determined the statutory rate applied to deferred tax balances should be increased from 39.0% to 39.5% based on changes in the company's geographic footprint. This increase in the statutory rate created a discrete income statement benefit of $1.5 million during the three-month period ended September 30, 2013. In addition, during the quarter we increased our current deferred tax asset by $59.2 million and increased its reserve for uncertain tax positions by $3.1 million related to the agreement in principle regarding the U.S. Department of Justice investigation and the Stark Law Self-Referral matter. See Note 6 for additional information on the agreement in principle.

Weighted-Average Shares Outstanding

Net (loss) income 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 (loss) income attributable to Amedisys, Inc. common stockholders (amounts in thousands):

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	For the Three-Month Periods Ended September 30,		For the Nine-Month Periods Ended September 30,	
	2013	2012	2013	2012
Weighted average number of shares outstanding—basic	31,505	30,055	31,102	29,741
Effect of dilutive securities:				
Stock options	—	20	—	16
Non-vested stock and stock units	—	348	—	311
Weighted average number of shares outstanding—diluted	31,505	30,423	31,102	30,068
Anti-dilutive securities	682	196	640	233

3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

As part of our management of our portfolio of care centers, we review each care center's current financial performance, market penetration, forecasted market growth and the impact of proposed CMS payment revisions. As a result of our review, we consolidated nine home health care centers with care centers servicing the same markets during the three-month period ended March 31, 2013.

During the three-month period ended June 30, 2013, we committed to a plan to divest approximately 50 care centers; therefore, as of June 30, 2013, we classified 34 care centers as held for sale (33 home health care centers and one hospice care center) and consolidated 19 care centers (17 home health care centers and two hospice care centers) with care centers servicing the same markets. In addition, we sold assets associated with two home health care centers and one hospice care center.

Based on current market conditions and an assessment of divestiture opportunities, we removed six care centers (five home health care centers and one hospice care center) from those care centers classified as held for sale during the three-month period ended September 30, 2013. In addition, we consolidated four home health care centers with care centers servicing the same markets.

As we are exiting certain selected geographical areas and in accordance with applicable accounting guidance, the 28 care centers which are held for sale and the three care centers sold are presented as discontinued operations in our condensed consolidated financial statements. The six care centers removed from the held for sale classification are presented in continuing operations in our condensed consolidated financial statements. The 32 care centers consolidated with care centers servicing the same markets are presented in continuing operations as we expect continuing cash flows from these markets. For additional information on the care centers consolidated with care centers servicing the same markets and the care centers sold see Note 4 – Exit Activities.

As of September 30, 2013, assets held for sale included $0.3 million in fixed assets, net, $0.5 million in intangible assets and $0.5 million in goodwill.

Net revenues and operating results for the periods presented for the care centers classified as discontinued operations are as follows (dollars in millions):

	For the Three-Month Periods Ended September 30,		For the Nine-Month Periods Ended September 30,	
	2013	2012	2013	2012
Net revenues	$ 7.3	$ 11.3	$ 25.9	$ 34.4
(Loss) before income taxes	(1.2)	(0.7)	(3.4)	(4.2)
Income tax benefit	0.5	0.3	1.4	1.7
Discontinued operations, net of tax	$ (0.7)	$ (0.4)	$ (2.0)	$ (2.5)

Net revenues and operating results for the periods presented for the care centers removed from the classification of held for sale during the three-month period ended September 30, 2012, are as follows (dollars in millions):

	For the Three-Month Periods Ended September 30,		For the Nine-Month Periods Ended September 30,	
	2013	2012	2013	2012
Net revenues	$ 2.8	$ 3.6	$ 9.2	$ 10.9
Income before income taxes	—	0.4	0.6	1.4
Income tax (expense)	—	(0.1)	(0.2)	(0.5)
Income from continuing operations, net of tax	$ —	$ 0.3	$ 0.4	$ 0.9

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4. EXIT ACTIVITIES

Effective April 1, 2013, the Company sold assets associated with certain home health care centers in Alaska and Washington, as well as a hospice care center in Washington for cash consideration of approximately $1.6 million and recognized a gain of approximately $1.0 million.

Effective June 7, 2013, the Company sold its membership interest in one of our unconsolidated joint ventures for cash consideration of approximately $0.5 million and recognized a loss of approximately $0.7 million.

In connection with the care centers we consolidated, we recorded charges of $2.5 million in depreciation and amortization expense related to the write-off of intangible assets, $0.8 million in other general and administrative expenses related to lease termination costs and $0.7 million in salaries and benefits related to severance costs during the nine-month period ended September 30, 2013.

5. LONG-TERM OBLIGATIONS

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

	September 30, 2013	December 31, 2012
Senior Notes:		
$35.0 million Series A Notes: semi-annual interest only payments; interest rate at 6.07% per annum; due March 25, 2013	$ —	$ 20.0
$30.0 million Series B Notes: semi-annual interest only payments; interest rate at 6.28% per annum; due March 25, 2014	20.0	20.0
$60.0 million Term Loan; $3.0 million principal payments plus accrued interest payable quarterly; interest rate at ABR Rate plus applicable percentage or Eurodollar Rate plus the applicable percentage (2.68% at September 30, 2013); due October 26, 2017	48.0	57.0
Promissory notes	2.9	5.7
	70.9	102.7
Current portion of long-term obligations	(34.9)	(35.8)
Total	$ 36.0	$ 66.9

Our weighted average interest rate for our five year $60.0 million Term Loan was 2.7% for the three and nine-month periods ended September 30, 2013.

On November 11, 2013, we entered into the second amendment to our Credit Agreement, which amends our existing Credit Agreement dated as of October 26, 2012, to amend certain covenants, representations and other provisions in the Credit Agreement to, among other things, allow for the settlement on terms described herein relating to both the U.S Department of Justice investigation and the Stark Law Self-Referral matter (“U.S. Department of Justice settlement”) (and related expenses). See Note 8 for additional information on our credit agreement amendment.

Our Credit Agreement, as amended on November 11, 2013, limits total leverage and requires minimum coverage of fixed charges. These thresholds vary over the term of the credit facility. As of September 30, 2013, our total leverage ratio was 2.7 and our fixed charge coverage ratio was 1.7 and we are in compliance with the Credit Agreement. We currently anticipate we will be in compliance with the covenants associated with our long-term obligations over the next 12 months. 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 the date of this filing, our availability under our $165.0 million Revolving Credit Facility was $143.3 million as we had $21.7 million outstanding in letters of credit.

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6. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We are involved in the following legal actions:

United States Senate Committee on Finance Inquiry

On May 12, 2010, we received a letter of inquiry from the Senate Finance Committee requesting documents and information relating to our policies and practices regarding home therapy visits and therapy utilization trends. A similar letter was sent to the other major publicly traded home health care companies. We cooperated with the Committee with respect to this inquiry.

On October 3, 2011, the Committee publicly issued a report titled "Staff Report on Home Health and the Medicare Therapy Threshold." The Committee recommended that the CMS "must move toward taking therapy out of the payment model." We believe that the issuance of the report concludes the Committee's inquiry, but are not in a position to speculate on the potential for future legislative or oversight action by the Committee.

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 "Court") against the Company and certain of our current and former senior executives. Additional putative securities class actions were filed in the Court on July 14, July 16, and July 28, 2010.

On October 22, 2010, the Court issued an order consolidating the putative securities class action lawsuits and the Federal Derivative Actions (described immediately below) for pre-trial purposes. In the same order, the Court appointed the Public Employees Retirement System of Mississippi and the Puerto Rico Teachers' Retirement System as co-lead plaintiffs (together, the "Co-Lead Plaintiffs") for the putative class. On December 10, 2010, the Court also consolidated the ERISA class action lawsuit (described below) with the putative securities class actions and Federal Derivative Actions for pre-trial purposes.

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.

All defendants moved to dismiss the Securities Complaint. On June 28, 2012, the 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 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 parties' opening briefs have been filed, and Plaintiffs-Appellants' reply brief is due November 15, 2013. While the Company will seek to have the Court's order granting the defendants' motion to dismiss affirmed on appeal, no assurances can be given as to the timing or outcome of the appeals process.

Derivative Actions

On July 2, 2010, an alleged shareholder of the Company filed a derivative lawsuit in the United States District Court for the Middle District of Louisiana, purporting to assert claims on behalf of the Company against certain of our current and former officers and directors. Three similar derivative suits were filed in the Court on July 15, July 21, and August 2, 2010 (together, the "Federal Derivative Actions"). We are named as a nominal defendant in all of those actions. As noted above, on October 22, 2010, the Court issued an order consolidating the Federal Derivative Actions with the putative securities class action lawsuits and for pre-trial purposes.

On January 18, 2011, the plaintiffs in the Federal Derivative Actions filed a consolidated, amended complaint (the "Derivative Complaint") which supersedes the earlier-filed derivative complaints. The Derivative Complaint alleges that certain of our current and former officers and directors breached their fiduciary duties to the Company by making allegedly false statements, by allegedly failing to establish sufficient internal controls over certain of our home health and Medicare billing practices, by engaging in alleged insider trading, and by committing unspecified acts of waste of corporate assets and unjust enrichment. All defendants in the Federal Derivative Actions, including the Company as a nominal defendant, moved to dismiss the Derivative Complaint. That motion was still pending before the Court when the parties reached the settlement described below.

On June 24, 2013, all parties to the Federal Derivative Actions entered into a Stipulation of Settlement (the "Stipulation") with respect to the Federal Derivative Actions. On September 5, 2013, following notice to shareholders and a final approval hearing, the Court issued an order of dismissal with prejudice finally approving the proposed settlement in accordance with the Stipulation. As part of the Court-approved settlement, the Company has agreed to adopt and/or maintain certain corporate governance reforms as set forth in the Stipulation. The Court's order also awarded co-lead plaintiffs' counsel of attorneys' fees and expenses in an amount of $445,000, which was paid by the Company's insurer on its behalf. The order dismissed the Federal Derivative Actions with prejudice, and approved the release of all named defendants by all plaintiffs, the Company, and its

shareholders from all claims that were or could have been alleged in the Federal Derivative Actions.

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On July 23, 2010, a derivative suit (the "State Derivative Action") was filed in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana (the "State Court") which also purported to assert claims on behalf of the Company against certain of our current and former officers and directors. By order dated December 8, 2010, the State Derivative Action was stayed pending resolution of the Federal Derivative Actions. On October 17, 2013, the State Court issued an order granting the parties' joint motion for dismissal of the State Derivative Action based on the federal Court's final approval of the settlement of the Federal Derivative Actions, and dismissing the State Derivative Action with prejudice.

ERISA Class Action Lawsuit

On September 27, 2010 and October 22, 2010, separate putative class action complaints were filed in the United States District Court for the Middle District of Louisiana against the Company, certain of our current and former senior executives and members of our 401(k) Plan Administrative Committee. The suits allege violations of the Employee Retirement Income Security Act ("ERISA") since January 1, 2006 and July 1, 2007, respectively. The plaintiffs brought the complaints on behalf of themselves and a class of similarly situated participants in our 401(k) plan. The plaintiffs assert that the defendants breached their fiduciary duties to the 401(k) Plan's participants by causing the 401(k) plan to offer and hold Amedisys common stock during the respective class periods when it was an allegedly unduly risky and imprudent retirement investment because of our alleged improper business practices. The complaints seek a determination that the actions may be maintained as a class action, an award of unspecified monetary damages and other unspecified relief. As noted above, on December 10, 2010, the Court consolidated the putative ERISA class actions with the putative securities class actions and derivative actions for pre-trial purposes. In addition, on December 10, 2010, the Court appointed interim lead counsel and interim liaison counsel in the ERISA class action.

On March 10, 2011, Wanda Corbin, Pia Galimba and Linda Trammell (the "Co-ERISA Plaintiffs"), filed an amended, consolidated class action complaint (the "ERISA Complaint"), which supersedes the earlier-filed ERISA class action complaints. The ERISA Complaint seeks a determination that the action may be maintained as a class action on behalf of themselves and a class of similarly situated participants in our 401(k) plan from January 1, 2008 through present. All of the defendants have moved to dismiss the ERISA Complaint. That motion is fully briefed and remains pending before the Court.

On November 5, 2013, we reached an agreement in principle to settle the ERISA class action lawsuits, under which we would make a payment of $1.2 million (which we anticipate will be paid by our insurance carrier). The parties agreed to negotiate in good faith towards finalizing a settlement agreement that would then be subject to court approval. The settlement is subject to a number of contingencies, including negotiation of the settlement agreement and approval by the court following notice to the class, and we can provide no assurances as to whether we will be able to successfully consummate the settlement.

SEC Investigation

On June 30, 2010, we received notice of a formal investigation from the SEC and received a subpoena for documents relating to the matters under review by the United States Senate Committee on Finance and other matters involving our operations. We have cooperated with the SEC with respect to this investigation.

U.S. Department of Justice Civil Investigative Demand ("CID") Pursuant to False Claims Act and Stark Law Matters

On September 27, 2010, we received a CID issued by the U.S. Department of Justice pursuant to the federal False Claims Act. The CID requires the delivery of a wide range of documents and information relating to the Company's clinical and business operations, including reimbursement and billing claims submitted to Medicare for home health services, and related compliance activities. The CID generally covers the period from January 1, 2003. On April 26, 2011, we received a second CID related to the CID issued in September 2010, which generally covers the same time period as the previous CID and requires the production of additional documents. Such CIDs are often associated with previously filed qui tam actions, or lawsuits filed under seal under the False Claims Act ("FCA"), 31 U.S.C. § 3729 et seq. Qui tam actions are brought by private plaintiffs suing on behalf of the federal government for alleged FCA violations. Subsequently, the Company and certain current and former employees received additional CIDs for additional documents and/or testimony.

In May 2012, we made a disclosure to CMS under the agency's Stark Law Self-Referral Disclosure Protocol relating to certain services agreements between a subsidiary of ours and a large physician group. During some period of time since December 2007, the arrangements appear not to have complied in certain respects with an applicable exemption to the Stark Law referral prohibition. Medicare revenue earned as a result of referrals from the physician group from May 2008 to May 2012, the relevant four year "lookback" period under the Stark Law Self-Referral Disclosure Protocol, was approximately $4 million. On January 11, 2013, one of our subsidiaries received a CID from the United States Attorney's Office for the Northern District of Georgia seeking certain information relating to that subsidiary's relationship with this physician group.

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We have reached an agreement in principle to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral matter. We have agreed to this tentative settlement without any admission of wrongdoing to resolve these matters and to avoid the uncertainty and expense of protracted litigation. In connection with the settlement, we expect to enter into a corporate integrity agreement with the Office of the Inspector General – HHS. The agreement in principle calls for payment of the aggregate sum of $150 million plus interest thereon at a rate of 2.25 percent per annum, as follows: (a) $115 million plus interest thereon to be payable upon execution of the settlement documents, and (b) $35 million plus interest thereon to be payable six months thereafter. In addition, we may incur additional expenses which are not currently estimable related to the settlement agreement and in connection with compliance measures that may be mandated by the corporate integrity agreement.

The settlement is subject to a number of contingencies, including agreement upon the scope of the matters released and other material terms, the negotiation and execution of acceptable settlement documents including a corporate integrity agreement, and approval of our board of directors, the DOJ and the Office of Inspector General-HHS. We have recorded an accrual of $150 million during the third quarter of 2013 with respect to these matters. We can provide no assurances as to whether we will be able to successfully consummate the settlement. Until the settlement actually becomes final, there can be no guarantee that these matters will be resolved on the basis described above, the outcome of these matters will remain uncertain, and the amount required to resolve them could differ materially from the amount accrued.

OIG Self-Disclosure

In October 2012, we made a disclosure to the Office of Counsel to the Inspector General of the United States Department of Health and Human Services (the "OIG") pursuant to the OIG Provider Self-Disclosure Protocol regarding certain clinical documentation issues and eligibility regulatory requirements at two of our hospice care centers. These hospice care centers did not comply in some respects with certain state and Medicare hospice regulations, including those requiring physicians to certify patient eligibility and requiring patient face-to-face encounters. We have recorded an additional accrual of approximately $1 million during the three-month period ended September 30, 2013 increasing the total accrual to approximately $2 million as of September 30, 2013. We are also in discussions with state healthcare authorities regarding this matter. Our review of this matter is ongoing, and we are cooperating with the OIG and the state regulatory authorities in their review of this matter.

In September and October 2013, we made preliminary disclosures to OIG under the OIG's Provider Self-Disclosure Protocol regarding certain clinical documentation issues at one of our home health care centers. This care center appears to have not complied with certain Medicare home health regulations, including those relating to physician signature requirements and face-to-face documentation. Our review of this matter is ongoing, and we intend to cooperate with the OIG in its review of this matter.

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 forty hours in violation of the Federal Fair Labor Standards Act ("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 forty, 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. Plaintiffs seek class certification of similar employees and 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 (assuming the Court grants conditional certification of the class under the FLSA). On October 22, 2013, the Company filed a motion for reconsideration of the Court's October 8, 2013 order.

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, thereby misclassifying her as an exempt employee and entitling her to overtime pay. The plaintiff alleges violations of Federal and state law and seeks damages under the 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 above.

We are unable to assess the probable outcome or reasonably estimate the potential liability, if any, arising from the SEC investigation, the OIG Self-Disclosure issues and the securities and wage and hour litigation described above. The Company intends to continue to vigorously defend itself in the securities and wage and hour litigation matters. No assurances can be given as to the timing or outcome of the SEC investigation, the OIG Self-Disclosure issues or the securities and wage and hour litigation matters described above or the impact of any of the inquiry, investigation 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.

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We recognize that additional putative securities class action complaints and other litigation could be filed, and that other investigations and actions could be commenced, relating to matters involving our home therapy visits and therapy utilization trends or other matters.

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.

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 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. Most recently, a consolidated administrative law judge ("ALJ") hearing was held in late March 2013. As of the date of this filing, the ALJ has not released a ruling. No assurances can be given as to the outcome of the ALJ appeal. As of September 30, 2013, 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.

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. Most recently, we have requested appeal hearings before an ALJ, but the ALJ hearings have not been scheduled, and no assurances can be given as to the timing or outcome of the ALJ appeal. The current alleged extrapolated overpayment is $6.1 million. 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 September 30, 2013, 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.

In July 2009, Beacon Hospice, Inc., a subsidiary we acquired on June 7, 2011 ("Beacon"), received from Massachusetts Peer Review Organization, Inc. ("MassPro"), an entity contracted with the Massachusetts Office of Medicaid, a request for records regarding 25 beneficiaries in Boston, Framingham and Plymouth, Massachusetts, who received hospice services from Beacon during the period of August 1, 2007 through July 31, 2008 (the "Review Period") to determine whether the underlying services met pertinent MassHealth Program regulations. Based on MassPro's findings for 89 of the 112 claims submitted in connection with these beneficiaries, which were extrapolated to all MassHealth claims for hospice services provided by Beacon billed during the Review Period, on February 15, 2012, MassPro issued a notice of overpayment seeking recovery from Beacon of an alleged overpayment of approximately $6.6 million. The Review Period covers a time before our ownership of Beacon. On December 17, 2012, as a result of an appeal by Beacon, MassPro issued a final notice of determination of overpayment and fines (the "Final Notice"), determining an overpayment in only 35 of the original 112 claims and seeking recovery from Beacon in the amount of $0.1 million (the "Final Amount"). In the Final Notice, MassPro did not extrapolate the findings, and Beacon determined not to contest the Final Notice. In January 2013, Amedisys paid the Final Amount to MassPro, and the prior owners of Beacon paid the Final Amount to Amedisys, in accordance with their indemnification obligations set forth in the acquisition document.

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(Unaudited)

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.

During the three-month period ended September 30, 2013, we received proceeds of $5.5 million from our insurance carrier for the reimbursement of legal fees that we had previously incurred.

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.

7. SEGMENT INFORMATION

Our operations involve servicing patients through our two reportable business segments: home health and hospice. 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 the essential activities of daily living. Our hospice segment provides palliative care and comfort to terminally ill patients and their families. The "other" column in the following tables consists of costs relating to corporate support functions that are not directly attributable to a specific segment.

As of September 30, 2013, we classified 28 care centers as held for sale and sold three care centers which are reflected as discontinued operations in accordance with applicable accounting guidance. See Note 3 – Discontinued Operations and Assets Held for Sale for additional information. Prior periods have been reclassified to conform to the current presentation.

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).

	For the Three-Month Periods Ended September 30, 2013			
	Home Health	Hospice	Other	Total
Net service revenue	$ 237.1	$ 64.5	$ —	$ 301.6
Cost of service, excluding depreciation and amortization	140.9	34.5	—	175.4
General and administrative expenses	74.4	16.1	25.5	116.0
Provision for doubtful accounts	2.8	1.2	—	4.0
Depreciation and amortization	2.5	0.5	7.5	10.5
U.S. Department of Justice settlement	—	—	150.0	150.0
Operating expenses	220.6	52.3	183.0	455.9
Operating income (loss)	$ 16.5	$ 12.2	$ (183.0)	$ (154.3)

	For the Three-Month Periods Ended September 30, 2012			
	Home Health	Hospice	Other	Total
Net service revenue	$ 290.2	$ 74.1	$ —	$ 364.3
Cost of service, excluding depreciation and amortization	168.9	38.1	—	207.0
General and administrative expenses	82.1	18.8	25.8	126.7
Provision for doubtful accounts	4.6	0.9	—	5.5
Depreciation and amortization	3.5	0.5	5.8	9.8
Operating expenses	259.1	58.3	31.6	349.0
Operating income (loss)	$ 31.1	$ 15.8	$ (31.6)	$ 15.3

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

	For the Nine-Month Periods Ended September 30, 2013			
	Home Health	Hospice	Other	Total
Net service revenue	$ 750.6	$ 196.5	$ —	$ 947.1
Cost of service, excluding depreciation and amortization	435.3	104.2	—	539.5
General and administrative expenses	231.0	49.2	77.7	357.9
Provision for doubtful accounts	7.7	4.8	—	12.5
Depreciation and amortization	7.8	1.6	22.7	32.1
U.S. Department of Justice settlement	—	—	150.0	150.0
Operating expenses	681.8	159.8	250.4	1,092.0
Operating income (loss)	$ 68.8	$ 36.7	$ (250.4)	$ (144.9)

	For the Nine-Month Periods Ended September 30, 2012			
	Home Health	Hospice	Other	Total
Net service revenue	$ 873.9	$ 216.8	$ —	$ 1,090.7
Cost of service, excluding depreciation and amortization	500.7	112.2	—	612.9
General and administrative expenses	249.0	53.2	85.6	387.8
Provision for doubtful accounts	13.4	2.4	—	15.8
Depreciation and amortization	10.3	1.1	18.0	29.4
Operating expenses	773.4	168.9	103.6	1,045.9
Operating income (loss)	$ 100.5	$ 47.9	$ (103.6)	$ 44.8

8. SUBSEQUENT EVENT

Credit Agreement

On November 11, 2013, we entered into the second amendment to our Credit Agreement which amends our existing Credit Agreement dated as of October 26, 2012, to amend certain covenants, representations and other provisions in the Credit Agreement to, among other things, allow for the settlement on the terms described herein of the U.S. Department of Justice investigation and Stark Law Self-Referral matter (and related expenses). This amendment also (i) amends certain covenants, representations and other provisions in the Credit Agreement to obligate us to enter into the Security Agreement, (ii) revises the exclusions and baskets associated with certain of the representations and covenants in the Credit Agreement relating to the incurrence of liens, the incurrence of additional debt, sales of assets and other fundamental corporate changes, acquisitions, investments, and capital expenditures and (iii) revises the exceptions and baskets associated with the two financial covenants that we are required to maintain under the Credit Agreement and the ability to make restricted payments.

Repayment of Series B Senior Notes

Also as consideration for entering into the Second Amendment, prior to the effective date thereof, we repaid the $20 million outstanding principal amount of our Series B Senior Notes due March 25, 2014 (the “Series B Notes”). A prepayment fee of $0.4 million was made in connection with the repayment of the Series B Notes prior to their stated date of maturity.

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 and nine-month periods ended September 30, 2013. 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, 2012 filed with the Securities and Exchange Commission ("SEC") on March 12, 2013 (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 leading provider of high-quality, low-cost home health services to the chronic, co-morbid, aging American population with approximately 84% of our revenue derived from Medicare for the three and nine-month periods ended September 30, 2013 and approximately 82% for the three and nine-month periods ended September 30, 2012. During the three-month period ended September 30, 2013, we had $301.6 million in net service revenue, net loss per diluted share of $(2.89) and cash flow from operating activities of $27.9 million. For the nine-month period ended September 30, 2013, we had $947.1 million in net service revenue, net loss per diluted share of $(2.78) and cash flow from operating activities of $93.9 million.

Our operations involve servicing patients through our two reportable business segments: home health and hospice. Our home health segment delivers a wide range of services in the homes of individuals who may be recovering from an illness, injury or surgical procedure. Our hospice segment provides care that is designed to provide comfort and support for those who are facing a terminal illness. As of September 30, 2013, we owned and operated 405 Medicare-certified home health care centers, including 28 care centers held for sale, 94 Medicare-certified hospice care centers, and one hospice inpatient unit in 37 states within the United States, the District of Columbia and Puerto Rico as detailed below:

	Owned and Operated Care Centers		
	Home Health	Hospice	Held for Sale Care Centers
At December 31, 2012	435	97	—
Acquisitions	2	—	—
Held for Sale	(28)	—	28
Sold	(2)	(1)	—
Consolidated	(30)	(2)	—
At September 30, 2013	377	94	28

As part of our management of our portfolio of care centers, we review each care center's current financial performance, market penetration, forecasted market growth and the impact of proposed CMS payment revisions. As a result of our review, we consolidated nine home health care centers with care centers servicing the same markets during the three-month period ended March 31, 2013. During the three-month period ended June 30, 2013, we committed to a plan to divest approximately 50 care centers; therefore, as of June 30, 2013, we classified 34 care centers as held for sale (33 home health care centers and one hospice care center) and consolidated 19 care centers (17 home health care centers and two hospice care centers) with care centers servicing the same markets. In addition, we sold assets associated with two home health care centers and one hospice care center. Based on current market conditions and an assessment of divestiture opportunities, we removed six care centers (five home health care centers and one hospice care center) from those care centers classified as held for sale and consolidated four home health care centers with care centers servicing the same markets during the three-month period ended September 30, 2013.

In connection with the care centers we consolidated in 2013, we recorded charges of $2.5 million in depreciation and amortization expense related to the write-off of intangible assets, $0.8 million in other general and administrative expenses related to lease termination costs and $0.7 million in salaries and benefits related to severance costs during the nine-month period ended September 30, 2013.

When we refer to "same store business," we mean home health and hospice care centers that we have operated for at least the last twelve months; when we refer to "acquisitions," we mean home health and hospice care centers that we acquired within the last twelve months; and when we refer to "start-ups," we mean home health or hospice care centers opened by us in the last twelve months. Once a care center has been in operation for a twelve month period, the results for that particular care center are included as part of our same store business from that date forward. Non-Medicare revenue, admissions, recertifications or completed episodes, includes home health revenue, admissions, recertifications or completed episodes of care for those payors that pay on an episodic or per visit basis, which includes Medicare Advantage programs and private payors.

Recent Developments

Governmental Inquiries and Investigations and Other Litigation

We have reached an agreement in principle to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral matter ("U.S. Department of Justice settlement"). We have agreed to this tentative settlement without any admission of wrongdoing in order to resolve these matters and to avoid the uncertainty and expense of protracted litigation. Although the parties have not executed a formal settlement agreement, which remains under negotiation, we have recorded an accrual of $150 million during the third quarter of 2013 with respect to these matters. In connection with the tentative settlement, we expect to enter into a corporate integrity agreement with the Office of the Inspector General – HHS. See Note 6 to our condensed consolidated financial statements for additional information regarding the U.S. Department of Justice settlement.

In addition, see Note 6 to our condensed consolidated financials for a discussion of and updates regarding the self-disclosure matters and class action litigation we are involved in. No assurances can be given as to the timing or outcome of these items.

Payment

The failure of the 2011 Joint Select Committee to meet its Deficit Reduction goal has resulted in sequestration, an automatic reduction in Medicare home health and hospice payments of 2% in 2013. The 2% reduction was effective April 1, 2013 on home health episodes ending after March 31, 2013 and hospice days beginning on April 1, 2013. The 2% reduction resulted in approximately a $6 million and $13 million decrease in net service revenue during the three and nine-month periods ended September 30, 2013, respectively.

In August 2013, the Centers for Medicare and Medicaid Services ("CMS") issued a final rule to update and revise the Medicare hospice wage index for fiscal year 2014. The final rule includes a 2.5% market basket update which is reduced by the following: a 0.3% adjustment from the Patient Protection and Affordable Care Act ("PPACA"), a 0.5% productivity adjustment and 0.7% for the updated wage index and budget neutrality adjustment factor. The net effect of the final rule, effective for services provided from October 1, 2013 to September 30, 2014, increases the base rate by 1.0%.

In June 2013, CMS issued a proposed rule to update and revise Medicare home health reimbursement rates for the calendar year 2014. The proposed rule includes the maximum rebasing cut of 3.5% as allowed by the PPACA and the Health Care and Education Reconciliation Act of 2010, a negative ICD-9 coding change impact of 0.5% offset by a 2.4% market-basket increase. The net effect of these changes is approximately a 1.5% decrease in reimbursement to home health providers. Our impact could differ depending on differences in the wage index and the impact of coding changes. In addition to the calendar year 2014 rebasing cut of 3.5%, CMS proposed to reduce reimbursement rates by 3.5% for rebasing in each year from calendar year 2015 to calendar year 2017. We expect CMS to issue a final rule in the fourth quarter of 2013.

Results of Operations

Three-Month Period Ended September 30, 2013 Compared to the Three-Month Period Ended September 30, 2012

Consolidated

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

	For the Three-Month Periods Ended September 30,	
	2013	2012
Net service revenue	$ 301.6	$ 364.3
Gross margin, excluding depreciation and amortization	126.2	157.3
% of revenue	*41.8 %*	*43.2 %*
Other operating expenses	130.5	142.0
% of revenue	*43.3 %*	*39.0 %*
U.S. Department of Justice settlement	150.0	—
Operating (loss) income	(154.3)	15.3
Total other income (expense), net	6.2	(1.6)
Income tax benefit (expense)	57.0	(3.3)
Effective income tax rate	*(38.5 %)*	*24.2 %*
(Loss) income from continuing operations	(91.1)	10.4
Net loss from discontinued operations	(0.7)	(0.4)
Net loss (income) attributable to noncontrolling interests	0.7	(0.1)
Net (loss) income attributable to Amedisys, Inc.	$ (91.1)	$ 9.9

During the third quarter of 2013, we recorded an accrual of $150 million and recognized a deferred tax benefit of $56 million for the tentative settlement to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral matter. See Note 6 to our condensed consolidated financial statements for additional information.

Our operating income from continuing operations excluding the U.S. Department of Justice settlement, declined $20 million which is inclusive of a $6 million impact due to sequestration. Excluding the impact of sequestration, our home health operating income decreased $11 million, hospice operating income decreased $2 million and corporate expenses increased $1 million. Our home health operating income declined primarily as a result of lower volumes. Our hospice operations experienced a decrease in average daily census and a decrease in other operating expenses. The increase in corporate expense resulted from increases in legal fees and salary expense. In addition, other income increased $8 million primarily as a result of insurance proceeds for the reimbursement of legal expenses related to our litigation activities and a gain on sale of our interests in three care centers. Income tax expense includes a favorable adjustment of approximately $2 million related to a net increase in the statutory tax rate from 39.0% to 39.5%. This statutory tax rate is the rate applied to the deferred tax asset and liability balances.

Home Health Division

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

	For the Three-Month Periods Ended September 30,	
	2013	2012
Financial Information (in millions):		
Medicare	$ 193.7	$ 227.2
Non-Medicare	43.4	63.0
Net service revenue	237.1	290.2
Cost of service	140.9	168.9
Gross margin	96.2	121.3
Other operating expenses	79.7	90.2
Operating income	$ 16.5	$ 31.1
Key Statistical Data:		
Medicare:		
Same Store Volume(1):		
Revenue	(12%)	(5%)
Admissions	(2%)	1%
Recertifications	(21%)	(6%)
Total(2):		
Admissions	45,481	47,429
Recertifications	26,150	34,071
Completed episodes	70,498	78,794
Visits	1,254,903	1,515,731
Average revenue per completed episode(3)	$ 2,822	$ 2,864
Visits per completed episode(4)	17.3	18.9
Non-Medicare(2):		
Admissions	17,884	23,469
Recertifications	7,279	11,273
Visits	359,822	535,280
Total(2):		
Cost per Visit	$ 87.33	$ 82.33
Visits	1,614,725	2,051,011

(1) Medicare revenue, admissions or recertifications same store volume is the percent increase (decrease) in our Medicare revenue, admissions or recertifications for the period as a percent of the Medicare revenue, admissions or recertifications of the prior period.
(2) Based on continuing operations for all periods presented.
(3) Average Medicare revenue per completed episode is the average Medicare revenue earned for each Medicare completed episode of care which excludes 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.

Our operating income declined $15 million on a $53 million decrease in net service revenue. Sequestration accounted for $4 million of our decline in revenue and operating income. Both Medicare and non-Medicare revenues declined predominately on lower volumes, offset by a decline in visits per episode and a $10 million decrease in other operating expenses.

Net Service Revenue

Our Medicare revenue decline of approximately $33 million consisted of $26 million due to lower volumes, $3 million due to a decline in revenue per episode and $4 million as a result of sequestration. Our volume decline consisted of a 23% decline in recertifications and a 4% decline in admissions. The 1% decline in revenue per episode was offset by an 8% reduction in our visits per episode.

Our non-Medicare revenue decreased $20 million which is primarily due to a decline in admission volumes and the number of visits performed. A key driver in the volume decline is changes in our Humana contract (episodic to per-visit reimbursement and reduction in market coverage) which became effective October 2012.

Cost of Service, Excluding Depreciation and Amortization

Our cost of service decreased $28 million primarily as a result of our decrease in visits offset by an increase in cost per visit. Our cost per visit metric is impacted by lower visits due to the fixed nature of some of our care delivery costs.

Other Operating Expenses

Other operating expenses decreased $10 million with $7 million attributed to salary and wages and other care center related expenses. Our strategy to consolidate care centers within overlapping markets was a major factor in this decrease. The remaining $3 million is from declines in our provision for doubtful accounts and depreciation and amortization. The decline in the provision for doubtful accounts is reflective of our decrease in non-Medicare revenue and our higher percentage of contracted payors.

Hospice Division

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

	For the Three-Month Periods Ended September 30,	
	2013	2012
Financial Information (in millions):		
Medicare revenue	$ 60.6	$ 70.3
Non-Medicare revenue	3.9	3.8
Net service revenue	64.5	74.1
Cost of service	34.5	38.1
Gross margin	30.0	36.0
Other operating expenses	17.8	20.2
Operating income	$ 12.2	$ 15.8
Key Statistical Data:		
Same store Medicare revenue growth (1)	(13%)	13%
Hospice admits	4,352	4,667
Average daily census	4,917	5,592
Revenue per day	$ 142.52	$ 144.10
Cost of service per day	$ 75.79	$ 73.97
Average length of stay	98	102

(1) Same store Medicare revenue volume is the percent increase (decrease) in our Medicare revenue for the period as a percent of the Medicare revenue of the prior period.

Our operating income decreased $4 million on a $10 million decline in net service revenue with sequestration accounting for $2 million of the decline in both revenue and operating income. The revenue decline is offset by a $2 million reduction in other operating expenses.

Net Service Revenue

Our hospice revenue decreased $10 million, primarily as the result of a decrease in our average daily census and $2 million due to sequestration. We benefitted from a 0.9% hospice rate increase effective October 1, 2012 and beginning October 1, 2013, the fiscal year 2014 hospice base rate increases approximately 1%.

Cost of Service, Excluding Depreciation and Amortization

Our hospice cost of service decreased $4 million, or 9%, due to a 12% decrease in average daily census offset by an increase in our cost per day. Our hospice clinicians are generally paid on a salaried basis, and our care centers are staffed based on their average census.

Other Operating Expenses

Other operating expenses decreased $2 million due to a decrease in salaries and wages and other care center related expenses.

Nine-Month Period Ended September 30, 2013 Compared to the Nine-Month Period Ended September 30, 2012

Consolidated

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

	For the Nine-Month Periods Ended September 30,	
	2013	2012
Net service revenue	$ 947.1	$ 1,090.7
Gross margin, excluding depreciation and amortization	407.6	477.8
% of revenue	*43.0 %*	*43.8 %*
Other operating expenses	402.5	433.0
% of revenue	*42.5 %*	*39.7 %*
U.S. Department of Justice settlement	150.0	—
Operating (loss) income	(144.9)	44.8
Total other income (expense), net	5.7	(4.6)
Income tax benefit (expense)	53.5	(14.3)
Effective income tax rate	*(38.4 %)*	*35.6 %*
(Loss) income from continuing operations	(85.7)	25.9
Net loss from discontinued operations	(2.0)	(2.5)
Net loss (income) attributable to noncontrolling interests	1.2	(0.2)
Net (loss) income attributable to Amedisys, Inc.	$ (86.5)	$ 23.2

During the third quarter of 2013, we recorded an accrual of $150 million and recognized a deferred tax benefit of $56 million for the tentative settlement to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral. See Note 6 to our condensed consolidated financial statements for additional information.

Our operating income from continuing operations excluding the U.S. Department of Justice settlement, declined $40 million as our home health and hospice operating income decreased $43 million and corporate operating expenses decreased $3 million. Our 2013 results were impacted by a $13 million decline in both revenue and operating income as a result of sequestration. Our home health operating income declined primarily as a result of lower volumes and our hospice operations experienced a decrease in average daily census. Our corporate expense decrease is comprised of a $8 million decline in professional and legal fees and travel and training expenses. This decrease was offset by a $5 million increase in depreciation and amortization expense primarily due to the write-off of intangible assets of the care centers consolidated. In addition, other income increased $10 million primarily as a result of insurance proceeds for the reimbursement of legal expenses related to our litigation activities and a net gain on sales of our interests in care centers. Income tax expense includes a favorable adjustment of approximately $2 million related to a net increase in the statutory tax rate from 39.0% to 39.5%. This statutory tax rate is the rate applied to the deferred tax asset and liability balances.

Home Health Division

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

	For the Nine-Month Periods Ended September 30,	
	2013	2012
Financial Information (in millions):		
Medicare	$ 611.6	$ 692.3
Non-Medicare	139.0	181.6
Net service revenue	750.6	873.9
Cost of service	435.3	500.7
Gross margin	315.3	373.2
Other operating expenses	246.5	272.7
Operating income	$ 68.8	$ 100.5
Key Statistical Data:		
Medicare:		
Same Store Volume(1):		
Revenue	(10%)	(7%)
Admissions	0%	0%
Recertifications	(19%)	(6%)
Total(2):		
Admissions	143,423	145,012
Recertifications	82,407	102,945
Completed episodes	222,111	238,465
Visits	3,953,597	4,648,242
Average revenue per completed episode(3)	$ 2,810	$ 2,875
Visits per completed episode(4)	17.5	18.9
Non-Medicare(2):		
Admissions	57,842	69,035
Recertifications	23,057	31,319
Visits	1,165,495	1,551,268
Total(2):		
Cost per Visit	$ 85.05	$ 80.77
Visits	5,119,092	6,199,510

(1) Medicare revenue, admissions or recertifications volume is the percent increase (decrease) in our Medicare revenue, admissions or recertifications for the period as a percent of the Medicare revenue, admissions or recertifications of the prior period.
(2) Based on continuing operations for all periods presented.
(3) Average Medicare revenue per completed episode is the average Medicare revenue earned for each Medicare completed episode of care which excludes 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.

Overall, our operating income declined $32 million on a $123 million decline in revenue. Sequestration impacted revenue and operating income by $10 million. Both Medicare and non-Medicare revenue were impacted by lower volumes offset by a $26 million decrease in other operating expenses.

Net Service Revenue

Our Medicare revenue decline of approximately $81 million consisted of $56 million due to lower volumes, $15 million due to lower revenue per episode and $10 million due to sequestration. The volume decline is primarily due to a 20% decline in recertifications, as admissions only declined 1%. Our revenue per episode declined 2%; however, this was offset by a 7% decrease in our visits per episode.

Our non-Medicare revenue decreased $42 million which is primarily due to a decline in admission volumes and the number of visits performed. A key driver in the volume decline is changes in our Humana contract (episodic to per-visit reimbursement and reduction in market coverage) which was effective October 2012.

Cost of Service, Excluding Depreciation and Amortization

Our cost of service decreased $65 million primarily as a result of our decrease in volume offset by an increase in cost per visit. The increase in cost per visit is the result of pay raises that became effective in April 2012. Additionally, our cost per visit metric is impacted by lower visits due to the fixed nature of some of our care delivery costs.

Other Operating Expenses

Other operating expenses decreased $26 million with $18 million attributed primarily to salary and wages and other care center related expenses. Our strategy to consolidate care centers within overlapping markets was a major factor in this decrease. The remaining $8 million is primarily the result of a reduction in our provision for doubtful accounts which is reflective of our decrease in non-Medicare revenue and our higher percentage of contracted payors.

Hospice Division

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

	For the Nine-Month Periods Ended September 30,	
	2013	2012
Financial Information (in millions):		
Medicare revenue	$ 185.0	$ 204.9
Non-Medicare revenue	11.5	11.9
Net service revenue	196.5	216.8
Cost of service	104.2	112.2
Gross margin	92.3	104.6
Other operating expenses	55.6	56.7
Operating income	$ 36.7	$ 47.9
Key Statistical Data:		
Same store Medicare revenue growth (1)	(10%)	17%
Hospice admits	13,964	14,370
Average daily census	4,998	5,415
Revenue per day	$ 144.04	$ 146.11
Cost of service per day	$ 76.06	$ 75.51
Average length of stay	100	97

(1) Same store Medicare revenue growth is the percent increase in our Medicare revenue for the period as a percent of the Medicare revenue of the prior period.

Our operating income decreased $11 million primarily due to a decrease in admissions which resulted in a lower average daily census.

Net Service Revenue

Our hospice revenue decreased $20 million, primarily as the result of a decrease in our average daily census and $3 million due to sequestration. We benefitted from a 0.9% hospice rate increase effective October 1, 2012 and beginning October 1, 2013, the fiscal year 2014 hospice base rate increases approximately 1%.

Cost of Service, Excluding Depreciation and Amortization

Our hospice cost of service decreased $8 million, or 7%, which corresponds to our 8% decrease in average daily census. Our hospice clinicians are generally paid on a salaried basis, and our care centers are staffed based on their average census.

Other Operating Expenses

Other operating expenses decreased $1 million due to a $3 million decrease in salaries and wages and other care center related expenses, offset by a $2 million increase in our provision for doubtful accounts.

Liquidity and Capital Resources

Cash Flows

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

	For the Nine-Month Periods Ended September 30,	
	2013	2012
Cash provided by operating activities	$ 93.9	$ 53.9
Cash used in investing activities	(35.5)	(40.3)
Cash used in financing activities	(29.3)	(22.5)
Net increase (decrease) in cash and cash equivalents	29.1	(8.9)
Cash and cash equivalents at beginning of period	14.5	48.0
Cash and cash equivalents at end of period	$ 43.6	$ 39.1

Cash provided by operating activities increased $40.0 million primarily due to a 9.5 day decrease in our days revenue outstanding from December 31, 2012.

Cash used in investing activities decreased $4.8 million due to a decrease in acquisition activities, which was offset by the purchase of investments.

Cash used in financing activities increased $6.8 million. We decreased our outstanding long-term obligations net of borrowings by $31.8 million from December 31, 2012, primarily due to the maturity of $20 million in senior notes.

Liquidity

Typically, our principal source of liquidity is the collection of our patient accounts receivable, primarily through the Medicare program; however, from time to time, we can and do obtain additional sources of liquidity through sales of our equity or by the incurrence of additional indebtedness. As of the date of this filing, our availability under our $165.0 million Revolving Credit Facility was $143.3 million as we had $21.7 million outstanding in letters of credit.

During 2013, we spent $2.7 million in routine capital expenditures, which primarily included equipment and computer software and hardware. In addition, we spent $26.3 million in non-routine capital expenditures related to enhancements to our point of care software.

In light of our agreement in principle being reached with respect to the U.S. Department of Justice settlement, on November 11, 2013, we entered into the second amendment to our Credit Agreement, which amends our existing Credit Agreement dated as of October 26, 2012, to amend certain covenants, representations and other provisions in the Credit Agreement to, among other things, allow for the settlement on the terms described herein relating to both the U.S Department of Justice investigation and the Stark Law Self-Referral matter (and related expenses). This amendment also (i) amends certain covenants, representations and other provisions in the Credit Agreement to obligate us to enter into the Security Agreement, (ii) revises the exclusions and baskets associated with certain of the representations and covenants in the Credit Agreement relating to the incurrence of liens, the incurrence of additional debt, sales of assets and other fundamental corporate changes, acquisitions, investments, and capital expenditures and (iii) revises the exceptions and baskets associated with the two financial covenants that we are required to maintain under the Credit Agreement.

The agreement in principle calls for payment of the aggregate sum of $150 million plus interest thereon at a rate of 2.25 percent per annum, as follows: (a) $115 million plus interest thereon to be payable upon execution of the settlement documents, and (b) $35 million plus interest thereon to be payable six months thereafter. We plan to use cash on hand and our availability under our Revolving Credit Facility to make the required payments once a settlement has been finalized. See Note 6 to our condensed consolidated financial statements for additional information regarding the U.S. Department of Justice settlement.

Also as consideration for entering into the Second Amendment, prior to the effective date thereof, we repaid the $20 million outstanding principal amount of our Series B Senior Notes due March 25, 2014 (the “Series B Notes”). A prepayment fee of $0.4 million was made in connection with the repayment of the Series B Notes prior to their stated date of maturity.

Based on our operating forecasts, our new debt service requirements and upcoming settlement payment, we believe we will have sufficient liquidity to fund our operations, capital requirements and debt service requirements; however, our ongoing ability to comply with the debt covenants under our credit agreement depends largely on the achievement of adequate levels of operating performance and cash flow. We currently anticipate we will be in compliance with the covenants associated with our long-term obligations over the next 12 months. If our future operating performance and/or cash flows are less than expected, it could cause us to default on our financial covenants in the future. 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. There can be no assurance that debt covenant waivers or amendments would be obtained, if needed.

Outstanding Patient Accounts Receivable

Our patient accounts receivable, net decreased $58.1 million from December 31, 2012 to September 30, 2013. Our cash collection as a percentage of revenue was 108.7% for the nine-month period ended September 30, 2013, and 100.8% for the nine-month period ended December 31, 2012. Our days revenue outstanding, net has decreased 9.5 days from 41.5 days at December 31, 2012.

Our patient accounts receivable includes unbilled receivables and are aged based upon our initial service date. At September 30, 2013, our unbilled patient accounts receivable, as a percentage of gross patient accounts receivable, was 29.2%, or $38.7 million, compared to 32.2%, or $63.4 million, at December 31, 2012. 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. 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 September 30,		For the Nine-Month Periods Ended September 30,	
	2013	2012	2013	2012
Provision for estimated revenue adjustments (1)	$ 2.5	$ 2.7	$ 9.4	$ 7.9
Provision for doubtful accounts (2)	4.1	5.7	12.8	16.3
Total	$ 6.6	$ 8.4	$ 22.2	$ 24.2
As a percent of revenue	2.2%	2.2%	2.3%	2.2%

(1) Includes $0.3 million and $0.5 million from discontinued operations for the nine-months ended September 30, 2013 and 2012, respectively.
(2) Includes $0.2 million from discontinued operations for the three-months ended September 30, 2013 and 2012, respectively. Includes $0.3 million and $0.5 million from discontinued operations for the nine-months ended September 30, 2013 and 2012, respectively.

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 September 30, 2013:					
Medicare patient accounts receivable, net (1)	$68.9	$ 8.6	$ 0.6	$ —	$ 78.1
Other patient accounts receivable:					
Medicaid	10.5	2.1	1.5	0.4	14.5
Private	19.7	5.5	5.5	3.4	34.1
Total	$30.2	$ 7.6	$ 7.0	$ 3.8	$ 48.6
Allowance for doubtful accounts (2)					(15.6)
Non-Medicare patient accounts receivable, net					$ 33.0
Total patient accounts receivable, net					$111.1
Days revenue outstanding, net (3)					32.0

	0-90	91-180	181-365	Over 365	Total
At December 31, 2012:					
Medicare patient accounts receivable, net (1)	$96.2	$17.1	$ 2.1	$ —	$115.4
Other patient accounts receivable:					
Medicaid	14.9	4.4	2.0	0.3	21.6
Private	30.4	12.9	7.8	2.1	53.2
Total	$45.3	$17.3	$ 9.8	$ 2.4	$ 74.8
Allowance for doubtful accounts (2)					(21.0)
Non-Medicare patient accounts receivable, net					$ 53.8
Total patient accounts receivable, net					$169.2
Days revenue outstanding, net (3)					41.5

(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 September 30, 2013	For the Three-Month Period Ended December 31, 2012	For the Nine-Month Period Ended September 30, 2013	For the Nine-Month Period Ended December 31, 2012
Balance at beginning of period	$ 6.8	$ 6.5	$ 6.4	$ 6.6
Provision for estimated revenue adjustments (a)	2.5	2.7	9.4	7.8
Write offs	(3.3)	(2.8)	(9.8)	(8.0)
Balance at end of period	$ 6.0	$ 6.4	$ 6.0	$ 6.4

(a) Includes $0.1 million from discontinued operations for the three-month period ended December 31, 2012. Includes $0.3 million and $0.4 million from discontinued operations for the nine-month periods ended September 30, 2013 and December 31, 2012, respectively.

Our estimated revenue adjustments were 7.1% and 5.3% of our outstanding Medicare patient accounts receivable at September 30, 2013 and December 31, 2012, 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 September 30, 2013	For the Three-Month Period Ended December 31, 2012	For the Nine-Month Period Ended September 30, 2013	For the Nine-Month Period Ended December 31, 2012
Balance at beginning of period	$ 17.6	$ 20.4	$ 21.0	$ 18.6
Provision for doubtful accounts (a)	4.1	5.4	12.8	15.8
Write offs	(6.1)	(4.8)	(18.2)	(13.4)
Balance at end of period	$ 15.6	$ 21.0	$ 15.6	$ 21.0

(a) Includes $0.2 million and $0.1 million from discontinued operations for the three-month periods ended September 30, 2013 and December 31, 2012, respectively. Includes $0.3 million and $0.5 million from discontinued operations for the nine-month periods ended September 30, 2013 and December 31, 2012, respectively.

Our allowance for doubtful accounts was 32.1% and 28.1% of our outstanding Medicaid and private patient accounts receivable at September 30, 2013 and December 31, 2012, 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 September 30, 2013 and December 31, 2012 by our average daily net patient revenue for the three-month periods ended September 30, 2013 and December 31, 2012, respectively.

Indebtedness

Our weighted average interest rate for our five year $60.0 million Term Loan was 2.7% for the three and nine-month periods ended September 30, 2013.

On November 11, 2013, we entered into the second amendment to our Credit Agreement, which amends our existing Credit Agreement dated as of October 26, 2012, to amend certain covenants, representations and other provisions in the Credit Agreement to, among other things, allow for the settlement on the terms described herein relating to both the U.S Department of Justice investigation and the Stark Law Self-Referral matter (and related expenses). See Note 8 for additional information on our credit agreement amendment.

Our Credit Agreement, as amended on November 11, 2013, limits total leverage and requires minimum coverage of fixed charges. These thresholds vary over the term of the credit facility. As of September 30, 2013, our total leverage ratio was 2.7 and our fixed charge coverage ratio was 1.7 and we are in compliance with the Credit Agreement. We currently anticipate we will be in compliance with the covenants associated with our long-term obligations over the next 12 months. 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 the date of this filing, our availability under our $165.0 million Revolving Credit Facility was $143.3 million as we had $21.7 million outstanding in letters of credit.

See Note 7 of the financial statements included in our Form 10-K for additional details on our outstanding long-term obligations which were outstanding as September 30, 2013.

Inflation

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

Critical Accounting Policies

See Part II, Item 7 – Critical Accounting Policies and our consolidated financial statements and related notes in Part IV, Item 15 of our 2012 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 policies include revenue recognition; patient accounts receivable; insurance; goodwill and intangible assets; and income taxes. There have not been any changes to our significant accounting policies or their application since we filed our 2012 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 September 30, 2013, the total amount of outstanding debt subject to interest rate fluctuations was $48.0 million. A 1.0% interest rate change would cause interest expense to change by approximately $0.5 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 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 September 30, 2013, 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 September 30, 2013, the end of the period covered by this Quarterly Report.

Changes in Internal Controls

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 September 30, 2013, 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 September 30, 2013, the end of the period covered by this Quarterly Report.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 6 to the condensed consolidated financial statements for information concerning our legal proceedings.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors listed below and 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.

We are the subject of a number of inquiries by the Federal government, any of which could result in substantial penalties against us.

We are the subject of a number of inquiries by the Federal government, and we have made voluntary disclosures to the Federal government concerning several matters. During the 111th and 112th United States Congresses, the Senate Finance Committee conducted an inquiry focused on the major publicly traded home health corporations, relating to our policies and practices regarding home therapy visits and therapy utilization trends. On October 3, 2011, the Senate Finance Committee publicly issued a report titled "Staff Report on Home Health and the Medicare Therapy Threshold," which recommended that CMS "must move toward taking therapy out of the payment model." Following the initiation in May 2010 of the Senate Finance Committee inquiry, we, as well as the other major publicly traded home health care companies, received a notice of formal investigation from the SEC accompanied by a subpoena for documents relating to the matters under review by the Senate Finance Committee and other matters involving our operations. We also received Civil Investigative Demands ("CIDs") issued by the U.S. Department of Justice ("DOJ") pursuant to the Federal False Claims Act, requiring the delivery of a wide range of documents and information relating to our clinical and business operations, including reimbursement and billing claims submitted to Medicare for home health services, and related compliance activities. Subsequently, the Company and certain current and former employees have received additional CIDs from DOJ for information and/or testimony. In May 2012, we made a disclosure to CMS under that agency's Stark Law Self-Referral Disclosure Protocol relating to certain services agreements between a subsidiary of ours and a large physician group. In addition, we made disclosures to various governmental agencies, including, in October 2012 and 2013, to the Office of Counsel to the Inspector General of the United States Department of Health and Human Services (the "OIG") pursuant to the OIG Provider Self-Disclosure Protocol regarding certain clinical documentation issues and eligibility requirements at two hospice care centers and one home health care center.

We have reached an agreement in principle to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral matter. We have agreed to this tentative settlement without any admission of wrongdoing to resolve these matters and to avoid the uncertainty and expense of protracted litigation. In connection with the settlement, we expect to enter into a corporate integrity agreement with the Office of the Inspector General – HHS. The agreement in principle calls for payment of the aggregate sum of $150 million plus interest thereon at a rate of 2.25 percent per annum, as follows: (a) $115 million plus interest thereon to be payable upon execution of the settlement documents, and (b) $35 million plus interest thereon to be payable six months thereafter. In addition, we may incur additional expenses which are not currently estimable related to the settlement agreement and in connection with compliance measures that may be mandated by the corporate integrity agreement.

The settlement is subject to a number of contingencies, including agreement upon the scope of the matters released and other material terms, the negotiation and execution of acceptable settlement documents including a corporate integrity agreement, and approval of our board of directors, the DOJ and the Office of Inspector General-HHS. We have recorded an accrual of $150 million during the third quarter of 2013 with respect to these matters. We can provide no assurances as to whether we will be able to agree on the terms

of a settlement or fund any required settlement payments in the manner described herein. Until the settlement actually becomes final, there can be no guarantee that these matters will be resolved on the basis described above, the outcome of these matters will remain uncertain, and the amount required to resolve them could differ materially from the amount accrued.

Finally, if these matters continue over a long period of time, they could divert the attention of management from the day-to-day operations of our business and impose significant administrative burdens on us. These potential consequences, as well as any adverse outcome from these investigations or other investigations initiated by the government at any time, could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows.

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 September 30, 2013:

Period	(a) Total Number of Share (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
July 1, 2013 to July 31, 2013	242	$ 11.36	—	$ —
August 1, 2013 to August 31, 2013	405	14.86	—	—
September 1, 2013 to September 30, 2013	874	17.21	—	—
	1,521(1)	$ 15.65	—	—

(1) Includes shares of common stock surrendered to us by certain employees to:

i. 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.

ii. satisfy tax withholding obligations in connection with the exercise of stock options previously awarded to such employees under our 1998 Stock Option Plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

U.S. Department of Justice Investigation and Stark Law Self-Referral Matter

As described herein in Note 6 to our condensed consolidated financial statements, we have reached an agreement in principle to resolve both the U.S. Department of Justice investigation and the Stark Law self-referral matter. We have agreed to this tentative settlement without any admission of wrongdoing to resolve these matters and to avoid the uncertainty and expense of protracted litigation. In connection with the settlement, we expect to enter into a corporate integrity agreement with the Office of the Inspector General – HHS. The agreement in principle calls for payment of the aggregate sum of $150 million plus interest thereon at a rate of 2.25 percent per annum, as follows: (a) $115 million plus interest thereon to be payable upon execution of the settlement documents, and (b) $35 million plus interest thereon to be payable six months thereafter. In addition, we may incur additional expenses which are not currently estimable related to the settlement agreement and in connection with compliance measures that may be mandated by the corporate integrity agreement.

The settlement is subject to a number of contingencies, including agreement upon the scope of the matters released and other material terms, the negotiation and execution of acceptable settlement documents including a corporate integrity agreement, and approval of our board of directors, the DOJ and the Office of Inspector General-HHS. We have recorded an accrual of $150 million during the third quarter of 2013 with respect to these matters. We can provide no assurances as to whether we will be able to successfully consummate the settlement. Until the settlement actually becomes final, there can be no guarantee that these matters will be resolved on the basis described above, the outcome of these matters will remain uncertain, and the amount required to resolve them could differ materially from the amount accrued.

Amendments to Credit Agreement

On November 11, 2013, we entered into the Second Amendment to Credit Agreement dated as of November 11, 2013 (the "Second Amendment"), which amends our existing Credit Agreement dated as of October 26, 2012 (as previously amended by that certain First Amendment and Limited Waiver dated as of September 4, 2013, the "Credit Agreement") by and among Amedisys, as Lead Borrower, Amedisys Holding, L.L.C., as Co-Borrower, the several banks and other financial institutions or entities from time to time parties thereto as lenders (the "Lenders"), and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders (the "Agent"). In connection therewith, we, Amedisys Holding, L.L.C. and the various wholly-owned subsidiaries that have guaranteed our obligations under the Credit Agreement also entered into a Security and Pledge Agreement dated as of November 11, 2013 (the "Security Agreement") with the Agent for the purpose of securing the payment of our obligations under the Credit Agreement.

The following descriptions of the Second Amendment and the Security Agreement do not purport to be complete and are qualified in their entireties by reference to the full text of the Second Amendment and the Security Agreement, which are filed as Exhibit 10.1.2 and Exhibit 10.2, respectively, to this Quarterly Report on Form 10-Q and are incorporated herein by reference. A copy of the First Amendment to Credit Facility and Limited Waiver dated as of September 4, 2013 (the "First Amendment") is filed as Exhibit 10.1.1 to this Quarterly Report on Form 10-Q.

The Second Amendment revises the Credit Agreement to amend certain covenants, representations and other provisions in the Credit Agreement to, among other things, allow for the settlement on the terms described herein of the U.S. Department of Justice investigation and Stark Law Self-Referral matter (and related expenses). As consideration for the foregoing, this Amendment also (i) amends certain covenants, representations and other provisions in the Credit Agreement to obligate us to enter into the Security Agreement, (ii) revises the exclusions and baskets associated with certain of the representations and covenants in the Credit Agreement relating to the incurrence of liens, the incurrence of additional debt, sales of assets and other fundamental corporate changes, acquisitions, investments, and capital expenditures and (iii) revises the exceptions and baskets associated with the two financial covenants that we are required to maintain under the Credit Agreement and the ability to make restricted payments. The first financial covenant is a leverage ratio of our total indebtedness to earnings before interest, taxes, depreciation and amortization ("EBITDA"), both as defined in the Credit Agreement. The second financial covenant is a fixed charge coverage ratio of adjusted EBITDA plus rent expense ("EBITDAR") as defined in the Credit Agreement (less capital expenditures less cash taxes) to scheduled debt repayments plus interest expense plus rent expense, all as defined in the Credit Agreement. Each of these covenants is described more fully in the Credit Agreement, as amended by the Second Amendment, to which reference is made for a complete statement thereof.

Pursuant to the Security Agreement, as of the effective date of the Second Amendment, the Credit Agreement is secured by substantially all of our and our wholly-owned subsidiaries' non-real estate assets (subject to exceptions for certain immaterial subsidiaries), including all of the stock of our wholly-owned subsidiaries that are corporations, equity interests in our wholly-owned subsidiaries that are not corporations, our equity interests in our joint ventures and our investments. If an event of default occurs under the Credit Agreement, the Agent may, upon the request of a specified percentage of the Lenders, exercise remedies with respect to the collateral, including, in some instances, taking possession of or selling personal property assets, collecting accounts receivables, or exercising proxies to take control of the pledged stock and other equity interests.

Repayment of Series B Senior Notes

Also as consideration for entering into the Second Amendment, prior to the effective date thereof, we repaid the $20 million outstanding principal amount of our Series B Senior Notes due March 25, 2014 (the "Series B Notes"). A prepayment fee of $0.4 million was made in connection with the repayment of the Series B Notes prior to their stated date of maturity.

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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
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 October 22, 2009	The Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009	0-24260	3.2
4.1	Common Stock Specimen	The Company's Registration Statement on Form S-3 filed August 20, 2007	333-145582	4.8
4.2.1	Note Purchase Agreement dated March 25, 2008 among Amedisys, Inc., Amedisys Holding, L.L.C. and the Purchasers identified on Schedule A thereto, relating to the issuance and sale of (a) $35,000,000 aggregate principal amount of their 6.07% Series A Senior Notes due March 25, 2013 (b) $30,000,000 aggregate principal amount of their 6.28% Series B Senior Notes due March 25, 2014 and (c) $35,000,000 aggregate principal amount of their 6.49% Series C Senior Notes due March 25, 2015	The Company's Current Report on Form 8-K filed on April 1, 2008	0-24260	4.1
4.2.2	Amendment No. 1 dated October 26, 2012 to the Note Purchase Agreement dated March 25, 2008 among Amedisys, Inc., Amedisys Holding, L.L.C. relating to the issuance and sale of (a) $35,000,000 aggregate principal amount of their 6.07% Series A Senior Notes due March 25, 2013, (b) $30,000,000 aggregate principal amount of their 6.28% Series B Senior Notes due March 25, 2014 and (c) $35,000,000 aggregate principal amount of their 6.49% Series C Senior Notes due March 25, 2015	The Company's Current Report on Form 8-K filed on October 30, 2012	0-24260	4.1
4.2.3	Waiver No. 1 dated October 26, 2012 to the Note Purchase Agreement dated March 25, 2008 among Amedisys, Inc., Amedisys Holding, L.L.C. and the Purchasers identified on Schedule A thereto relating to the issuance and sale of (a) $35,000,000 aggregate principal amount of their 6.07% Series A Senior Notes due March 25, 2013, (b) $30,000,000 aggregate principal amount of their 6.28% Series B Senior Notes due March 25, 2014 and (c) $35,000,000 aggregate principal amount of their 6.49% Series C Senior Notes due March 25, 2015	The Company's Current Report on Form 8-K filed on October 30, 2012	0-24260	4.2
†4.2.4	Amendment No. 2 and Limited Waiver dated September 4, 2013 to the Note Purchase Agreement dated March 25, 2008 among Amedisys, Inc., Amedisys Holding, L.L.C. and the Purchasers identified on Schedule A thereto, relating to the issuance and sale of (a) $35,000,000 aggregate principal amount of their 6.07% Series A Senior Notes due March 25, 2013, (b) $30,000,000 aggregate principal amount of their 6.28% Series B Senior Notes due March 25, 2014 and (c) $35,000,000 aggregate principal amount of their 6.49% Series C Senior Notes due March 25, 2015			
4.3	Form of Series B Note due March 25, 2014 (attached as Exhibit C to the Amendment No. 1 to the Note Purchase Agreement Incorporated by reference as Exhibit 4.2.2 hereto)	The Company's Current Report on Form 8-K filed on October 30, 2012	0-24260	4.4

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Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit or Other Reference
†10.1.1	First Amendment and Limited Waiver dated as of September 4, 2013 to the Credit Agreement dated October 26, 2012 among Amedisys, Inc. and Amedisys Holding, L.L.C., as co-borrowers, the several banks and other financial institutions party thereto from time to time, BOKF, NA DBA Bank of Texas, Compass Bank, Fifth Third Bank and RBS Citizens, N.A., as Documentation Agents, Bank of America, N.A., as Syndication Agent, JPMorgan Chase Bank, N.A., as Administrative Agent, and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Co-Lead Arrangers and Joint Bookrunners			
†10.1.2	Second Amendment dated as of November 11, 2013 to the Credit Agreement dated October 26, 2012 among Amedisys, Inc. and Amedisys Holding, L.L.C., as co-borrowers, the several banks and other financial institutions party thereto from time to time, BOKF, NA DBA Bank of Texas, Compass Bank, Fifth Third Bank and RBS Citizens, N.A., as Documentation Agents, Bank of America, N.A., as Syndication Agent, JPMorgan Chase Bank, N.A., as Administrative Agent, and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Co-Lead Arrangers and Joint Bookrunners			
†10.2	Security and Pledge Agreement dated as of November 11, 2013, among Amedisys, Inc., Amedisys Holding, L.L.C., the Guarantors party thereto and JPMorgan Chase Bank, N.A., not in its individual capacity but solely as Administrative Agent			
†31.1	Certification of William F. Borne, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
†31.2	Certification of Ronald A. LaBorde, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
††32.1	Certification of William F. Borne, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
††32.2	Certification of Ronald A. LaBorde, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
†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: November 12, 2013

EXHIBIT INDEX

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
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 October 22, 2009	The Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009	0-24260	3.2
4.1	Common Stock Specimen	The Company's Registration Statement on Form S-3 filed August 20, 2007	333-145582	4.8
4.2.1	Note Purchase Agreement dated March 25, 2008 among Amedisys, Inc., Amedisys Holding, L.L.C. and the Purchasers identified on Schedule A thereto, relating to the issuance and sale of (a) $35,000,000 aggregate principal amount of their 6.07% Series A Senior Notes due March 25, 2013 (b) $30,000,000 aggregate principal amount of their 6.28% Series B Senior Notes due March 25, 2014 and (c) $35,000,000 aggregate principal amount of their 6.49% Series C Senior Notes due March 25, 2015	The Company's Current Report on Form 8-K filed on April 1, 2008	0-24260	4.1
4.2.2	Amendment No. 1 dated October 26, 2012 to the Note Purchase Agreement dated March 25, 2008 among Amedisys, Inc., Amedisys Holding, L.L.C. relating to the issuance and sale of (a) $35,000,000 aggregate principal amount of their 6.07% Series A Senior Notes due March 25, 2013, (b) $30,000,000 aggregate principal amount of their 6.28% Series B Senior Notes due March 25, 2014 and (c) $35,000,000 aggregate principal amount of their 6.49% Series C Senior Notes due March 25, 2015	The Company's Current Report on Form 8-K filed on October 30, 2012	0-24260	4.1
4.2.3	Waiver No. 1 dated October 26, 2012 to the Note Purchase Agreement dated March 25, 2008 among Amedisys, Inc., Amedisys Holding, L.L.C. and the Purchasers identified on Schedule A thereto relating to the issuance and sale of (a) $35,000,000 aggregate principal amount of their 6.07% Series A Senior Notes due March 25, 2013, (b) $30,000,000 aggregate principal amount of their 6.28% Series B Senior Notes due March 25, 2014 and (c) $35,000,000 aggregate principal amount of their 6.49% Series C Senior Notes due March 25, 2015	The Company's Current Report on Form 8-K filed on October 30, 2012	0-24260	4.2

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Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit or Other Reference
†4.2.4	Amendment No. 2 and Limited Waiver dated September 4, 2013 to the Note Purchase Agreement dated March 25, 2008 among Amedisys, Inc., Amedisys Holding, L.L.C. and the Purchasers identified on Schedule A thereto, relating to the issuance and sale of (a) $35,000,000 aggregate principal amount of their 6.07% Series A Senior Notes due March 25, 2013, (b) $30,000,000 aggregate principal amount of their 6.28% Series B Senior Notes due March 25, 2014 and (c) $35,000,000 aggregate principal amount of their 6.49% Series C Senior Notes due March 25, 2015			
4.3	Form of Series B Note due March 25, 2014 (attached as Exhibit C to the Amendment No. 1 to the Note Purchase Agreement Incorporated by reference as Exhibit 4.2.2 hereto)	The Company's Current Report on Form 8-K filed on October 30, 2012	0-24260	4.4
†10.1.1	First Amendment and Limited Waiver dated as of September 4, 2013 to the Credit Agreement dated October 26, 2012 among Amedisys, Inc. and Amedisys Holding, L.L.C., as co-borrowers, the several banks and other financial institutions party thereto from time to time, BOKF, NA DBA Bank of Texas, Compass Bank, Fifth Third Bank and RBS Citizens, N.A., as Documentation Agents, Bank of America, N.A., as Syndication Agent, JPMorgan Chase Bank, N.A., as Administrative Agent, and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Co-Lead Arrangers and Joint Bookrunners			
†10.1.2	Second Amendment dated as of November 11, 2013 to the Credit Agreement dated October 26, 2012 among Amedisys, Inc. and Amedisys Holding, L.L.C., as co-borrowers, the several banks and other financial institutions party thereto from time to time, BOKF, NA DBA Bank of Texas, Compass Bank, Fifth Third Bank and RBS Citizens, N.A., as Documentation Agents, Bank of America, N.A., as Syndication Agent, JPMorgan Chase Bank, N.A., as Administrative Agent, and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Co-Lead Arrangers and Joint Bookrunners			
†10.2	Security and Pledge Agreement dated as of November 11, 2013, among Amedisys, Inc., Amedisys Holding, L.L.C., the Guarantors party thereto and JPMorgan Chase Bank, N.A., not in its individual capacity but solely as Administrative Agent			
†31.1	Certification of William F. Borne, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
†31.2	Certification of Ronald A. LaBorde, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
††32.1	Certification of William F. Borne, Chief Executive			

	Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
††32.2	Certification of Ronald A. LaBorde, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
†101.INS	XBRL Instance
†101.SCH	XBRL Taxonomy Extension Schema Document
†101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
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†101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
†101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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Section 2: EX-4.2.4 (EX-4.2.4)

Exhibit 4.2.4

AMENDMENT NO. 2 TO NOTE PURCHASE AGREEMENT AND LIMITED WAIVER

This **AMENDMENT NO. 2 TO NOTE PURCHASE AGREEMENT AND LIMITED WAIVER** (this "**Agreement**") is made as of September 4, 2013 by and among **AMEDISYS, INC.**, a Delaware corporation (the "**Company**"), and **AMEDISYS HOLDING, L.L.C.**, a Louisiana limited liability company ("**Holding**"; and together with the Company, the "**Issuers**"), and the holders of Notes (as defined below) signatory hereto (the "**Noteholders**").

WHEREAS, the Issuers and the Noteholders are parties to that certain Note Purchase Agreement, dated March 25, 2008, as amended by that certain Amendment No. 1 to Note Purchase Agreement, dated October 26, 2012 (the "**Existing Note Purchase Agreement**"; and as amended by this Agreement and as may be further amended, restated, supplemented or otherwise modified from time to time, the "**Note Purchase Agreement**");

WHEREAS, pursuant to the Existing Note Purchase Agreement, the Issuers issued and sold to the Noteholders (a) $35,000,000 aggregate principal amount of their 6.07% Series A Senior Notes due March 25, 2013, (b) $30,000,000 aggregate principal amount of their 6.28% Series B Senior Notes due March 25, 2014 (as may be amended, restated, supplemented or otherwise modified from time to time, the "**Notes**") and (c) $35,000,000 aggregate principal amount of their 6.49% Series C Senior Notes due March 25, 2015, which Series A Senior Notes and Series C Senior Notes have been repaid and are no longer outstanding; and

WHEREAS, the Issuers have requested that the Noteholders (i) clarify that existing and proposed rights granted with respect to certain Securities do not constitute Liens in violation of Section 10.5 of the Note Purchase Agreement and (ii) waive any Event of Default under Section 10.5 of the Note Purchase Agreement resulting from the grant of such rights;

WHEREAS, the Issuers and the Noteholders have agreed to amend the definition of "Lien" set forth in the Existing Note Purchase Agreement to make such clarification; and

WHEREAS, the Noteholders are willing to make the waiver and amendment, in each case, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. DEFINED TERMS.

Capitalized terms used and not defined herein shall have the same meanings given to them in the Note Purchase Agreement.

2. REPRESENTATIONS AND WARRANTIES.

To induce the Noteholders to enter into this Agreement, the Issuers represent and warrant to each of the Noteholders as follows (it being agreed, however, that nothing in this Section 2 shall affect any of the representations and warranties previously made by the Issuers in or pursuant to the Note Purchase Agreement, and that all of such other representations and warranties, as well as the representations and warranties in this

Section 2, shall survive the effectiveness of the Amendment and the Waiver).

2.1. Organization; Authority and Good Standing.

The Company is a corporation, and Holding is a limited liability company, each duly organized, validly existing and in good standing under the laws of its respective jurisdiction of organization. Each Issuer has the organizational power and authority to execute and deliver this Agreement and to perform the provisions hereof.

2.2. Authorization, etc.

This Agreement has been duly authorized by all necessary organizational action on the part of each Issuer and this Agreement constitutes a legal, valid and binding obligation of each Issuer enforceable against such Issuer in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3. Compliance with Laws, Other Instruments, etc.

The execution, delivery and performance by each Issuer of this Agreement will not: (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of either Issuer or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum and articles of association, regulations or by-laws, or other agreement or instrument to which either Issuer or any Subsidiary is bound or by which either Issuer or any Subsidiary or any of their respective properties may be bound or affected (other than Liens in favor of the holders of the Notes as contemplated in the Note Purchase Agreement (as amended by this Agreement) and in favor of the administrative agent pursuant to the Credit Agreement), (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to either Issuer or any Subsidiary, or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to either Issuer or any Subsidiary.

2.4. Governmental Action.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by either Issuer of this Agreement.

2.5. No Defaults.

After giving effect to this Agreement, no event has occurred and is continuing which constitutes a Default or an Event of Default under the Note Purchase Agreement.

2.6. Lender Fees.

No Issuer nor any Subsidiary Guarantor has paid or agreed to pay any fees or other consideration to the Agent or any Lender (each as defined in the Credit Agreement Amendment) in connection with the Credit Agreement Amendment other than out-of-pocket expenses and as set forth in the Credit Agreement Amendment.

3. EFFECTIVENESS.

The Amendment and the Waiver (each term as defined below) shall become effective, and shall be deemed to be in effect, upon the satisfaction in full of the following conditions (the "**Effective Date**"):

(a) This Agreement. Each Issuer and each Noteholder shall have executed and delivered this Agreement.

(b) Credit Agreement.

(i) The Issuers shall have executed that certain First Amendment to Credit Agreement and Limited Waiver dated as of the date hereof among Issuers, JPMorgan Chase Bank, N.A., as administrative agent, and certain other agents and lenders party thereto (the "**Credit Agreement Amendment**").

(ii) The terms and conditions of the Credit Agreement Amendment shall be reasonably satisfactory to the Noteholders.

(iii) The Issuers shall have delivered certified copies of the Credit Agreement Amendment to the Noteholders.

(c) Representations. The representations and warranties of (i) the Issuers made in Section 2 of this Agreement and (ii) the Subsidiary Guarantors made in Section 2.6 of this Agreement shall be true and correct as of the Effective Date in all respects.

(d) Fees and Expenses. The Issuers shall have paid the reasonable fees and expenses of the special counsel to the Noteholders as provided for in Section 6 herein.

4. AMENDMENT TO EXISTING NOTE PURCHASE AGREEMENT.

Subject to satisfaction of the conditions set forth in Section 3, Schedule B of the Existing Note Purchase Agreement is hereby amended by amending and restating the definition of "Lien" in its entirety to read as follows (such amendment being referred to herein as the "**Amendment**"):

"**Lien**" means, with respect to any Person, (a) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (b) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities, other than any such existing rights with respect to the Securities of the Specified Entities and Amedisys Home Health, a Lawrence Medical Center

Partner, LLC and any purchase option, call or rights similar thereto with respect to the Securities of Amedisys Private Duty, LLC, Georgetown Hospital Home Health, LLC, Morgantown Hospice, LLC and the joint venture to be formed between Amedisys Wyoming, L.L.C. and Memorial Hospital Laramie County dba Cheyenne Regional Medical Center."

5. LIMITED WAIVER.

Subject to satisfaction of the conditions set forth in Section 3, the Noteholders hereby waive any Event of Default which may arise under Section 10.5 of the Note Purchase Agreement as a result of the existence of certain rights which may constitute Liens on the Securities of the Specified Entities and Amedisys Home Health, a Lawrence Medical Center Partner, LLC which may not be permitted by Section 10.5 of the Note Purchase Agreement. The waiver set forth in this Section 5 (the "**Waiver**") is limited to the extent specifically set forth above and no other terms, covenants or provisions of the Note Purchase Agreement or any other Financing Document are intended to be affected hereby. The Waiver is granted only with respect to any failure of the Issuers to comply with Section 10.5 of the Note Purchase Agreement as a result of the existence of certain rights which may constitute Liens on the Securities of the Specified Entities and Amedisys Home Health, a Lawrence Medical Center Partner, LLC that are not permitted by Section 10.5 of the Note Purchase Agreement and shall not apply to any violation of Section 10.5 with respect to any Liens other than the existing rights on the Securities of the Specified Entities and Amedisys Home Health, a Lawrence Medical Center Partner, LLC, in each case, as of the Effective Date, or any actual or prospective default or violation of any other provision of the Note Purchase Agreement or any other Financing Document. The Waiver shall not in any manner create a course of dealing or otherwise impair the future ability of the Noteholders to declare a Default or Event of Default under or otherwise enforce the terms of the Note Purchase Agreement or any other Financing Document with respect to any matter other than those specifically and expressly waived in the Waiver. Except as expressly set forth in this Agreement, nothing contained herein shall in any way (i) waive, release, modify or limit the Issuers' respective obligations to otherwise comply with all terms and conditions of any or all of the Note Purchase Agreement and the other Financing Documents, or (ii) waive, release, modify or limit any or all of the Noteholders' rights, remedies and privileges thereunder.

6. EXPENSES.

The Issuers will promptly (and in any event within thirty days of receiving any statement or invoice therefor) pay all out-of-pocket fees, expenses and costs relating to this Agreement, including, but not limited to, the reasonable fees of special counsel to the Noteholders incurred in connection with the preparation, negotiation and delivery of this Agreement and any other documents related hereto. Nothing in this Section 6 shall limit the Issuers' obligations under Section 15.1 of the Note Purchase Agreement.

7. RELEASE AND INDEMNITY.

(a) In consideration of the agreements of the Noteholders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Issuers and each Subsidiary Guarantor, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally

and irrevocably releases, remises and forever discharges the Noteholders, and their successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, financial advisors, employees, agents and other representatives (each Noteholder and all such other Persons being hereinafter referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "**Claim**" and collectively, "**Claims**") of every name and nature, either known or suspected, both at law and in equity, which any Issuer, any Subsidiary Guarantor or any of their successors, assigns, or other legal representatives may now own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Agreement for or on account of, or in relation to, or in any way in connection with any of the Existing Note Purchase Agreement, any of the other Financing Documents or transactions thereunder.

(b) Each of the Issuers and the Subsidiary Guarantors understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Each of the Issuers and the Subsidiary Guarantors hereby ratifies the indemnification provisions contained in the Financing Documents and agrees that this Agreement and losses, claims, damages and expenses related thereto shall be covered by such indemnities.

Notwithstanding the foregoing, nothing in this Section 7 shall constitute any waiver of any claims or defenses in respect of any gross negligence or willful misconduct on the part of any Releasee.

8. MISCELLANEOUS.

8.1. Part of Existing Note Purchase Agreement; Future References, etc.

This Agreement shall be construed in connection with and as a part of the Note Purchase Agreement and, except as expressly amended by this Agreement, all terms, conditions and covenants contained in the Existing Note Purchase Agreement and each other Financing Document are hereby ratified and shall be and remain in full force and effect. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Agreement may refer to the Note Purchase Agreement without making specific reference to this Agreement, but nevertheless all such references shall include this Agreement unless the context otherwise requires. This Agreement shall constitute a Financing Document under the terms of the Note Purchase Agreement.

8.2. Counterparts, Facsimiles.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto. Delivery of an executed signature page by facsimile or e-mail transmission shall be effective as delivery of a manually signed counterpart of this Agreement.

8.3. Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

8.4. Binding Effect.

This Agreement shall be binding upon and shall inure to the benefit of each Issuer and the Noteholders and their respective successors and assigns.

8.5. Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD PERMIT THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

AMEDISYS, INC.

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: President and Chief Financial Officer

AMEDISYS HOLDING, L.L.C.

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: Vice President

NOTEHOLDERS:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: /s/ Timothy M. Laczkowski
Name: Timothy M. Laczkowski
Title: Vice President

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

By: Prudential Investment Management, Inc.,
as investment manager

By: /s/ Timothy M. Laczkowski
Name: Timothy M. Laczkowski
Title: Vice President

PHYSICIANS MUTUAL INSURANCE COMPANY

By: Prudential Private Placement Investors, L.P.
(as Investment Advisor)

By: Prudential Private Placement Investors, Inc.
(as its General Partner)

By: /s/ Timothy M. Laczkowski
Name: Timothy M. Laczkowski
Title: Vice President

Acknowledgment and Agreement

Each of the undersigned Subsidiary Guarantors acknowledges and accepts the foregoing Agreement, agrees to be bound by Section 2.6 and Section 7 of the Agreement, and ratifies and confirms in all respects such Subsidiary Guarantor's obligations under the Subsidiary Guaranty:

ACCUMED GENPAR, L.L.C.
ACCUMED HOLDING, L.L.C.
ACCUMED HOME HEALTH OF GEORGIA, L.L.C.
ACCUMED HOME HEALTH OF NORTH TEXAS, L.L.C.
ADVENTA HOSPICE SERVICES OF FLORIDA, INC.
ADVENTA HOSPICE, L.L.C.
ALBERT GALLATIN HOME CARE AND HOSPICE SERVICES, LLC
AMEDISYS AIR, L.L.C.
AMEDISYS ALABAMA, L.L.C.
AMEDISYS ALASKA, LLC
AMEDISYS ARIZONA, L.L.C.
AMEDISYS ARKANSAS, LLC
AMEDISYS BA, LLC
AMEDISYS CALIFORNIA, L.L.C.
AMEDISYS COLORADO, L.L.C.
AMEDISYS CONNECTICUT, L.L.C.
AMEDISYS DELAWARE, L.L.C.
AMEDISYS FLORIDA, L.L.C.
AMEDISYS GEORGIA, L.L.C.
AMEDISYS HMA ACQUISITION, L.L.C.
AMEDISYS HOME HEALTH, INC. OF ALABAMA
AMEDISYS HOME HEALTH, INC. OF SOUTH CAROLINA
AMEDISYS HOME HEALTH, INC. OF VIRGINIA
AMEDISYS HOSPICE, L.L.C.
AMEDISYS IDAHO, L.L.C.
AMEDISYS ILLINOIS, L.L.C.
AMEDISYS INDIANA, L.L.C.
AMEDISYS IOWA, L.L.C.
AMEDISYS KANSAS, L.L.C.
AMEDISYS LA ACQUISITIONS, L.L.C.
AMEDISYS LOUISIANA, L.L.C.
AMEDISYS MAINE, P.L.L.C.
AMEDISYS MARYLAND, L.L.C.
AMEDISYS MASSACHUSETTS, L.L.C.
AMEDISYS MICHIGAN, L.L.C.
AMEDISYS MINNESOTA, L.L.C.

AMEDISYS MISSISSIPPI, L.L.C.
AMEDISYS MISSOURI, L.L.C.
AMEDISYS NEBRASKA, L.L.C.
AMEDISYS NEVADA, L.L.C.
AMEDISYS NEW HAMPSHIRE, L.L.C.
AMEDISYS NEW JERSEY, L.L.C.
AMEDISYS NEW MEXICO, L.L.C.
AMEDISYS NORTH CAROLINA, L.L.C.
AMEDISYS NORTH DAKOTA, L.L.C.
AMEDISYS NORTHWEST, L.L.C.
AMEDISYS OHIO, L.L.C.
AMEDISYS OKLAHOMA, L.L.C.
AMEDISYS OREGON, L.L.C.
AMEDISYS PENNSYLVANIA, L.L.C.
AMEDISYS PRIVATE DUTY, LLC
AMEDISYS PROPERTY, L.L.C.
AMEDISYS PUERTO RICO, L.L.C.
AMEDISYS QUALITY OKLAHOMA, L.L.C.
AMEDISYS RHODE ISLAND, L.L.C.
AMEDISYS SC, L.L.C.
AMEDISYS SOUTH FLORIDA, L.L.C.
AMEDISYS SOUTH DAKOTA, L.L.C.
AMEDISYS SPECIALIZED MEDICAL SERVICES, L.L.C.
AMEDISYS SP-IN, L.L.C.
AMEDISYS SP-KY, L.L.C.
AMEDISYS SP-OH, L.L.C.
AMEDISYS SP-TN, L.L.C.
AMEDISYS TENNESSEE, L.L.C.
AMEDISYS TEXAS, L.L.C.
AMEDISYS TLC ACQUISITION, L.L.C.
AMEDISYS UTAH, L.L.C.
AMEDISYS VENTURES, L.L.C.
AMEDISYS VIRGINIA, L.L.C.
AMEDISYS WASHINGTON, L.L.C.
AMEDISYS WESTERN, L.L.C.
AMEDISYS WEST VIRGINIA, L.L.C.
AMEDISYS WISCONSIN, L.L.C.
AMEDISYS WYOMING, L.L.C.
ARNICA THERAPY SERVICES, L.L.C.
AVENIR VENTURES, L.L.C.
BEACON HOSPICE, L.L.C.
BEACON PALLIATIVE CARE SERVICES, INC.
BROOKSIDE HOME HEALTH, LLC
COMPREHENSIVE HOME HEALTHCARE, L.L.C.
EMERALD CARE, L.L.C.

FAMILY HOME HEALTH CARE, L.L.C.
HHC, L.L.C.
HMA HOLDING, INC.
HMR ACQUISITION, INC.
HOME HEALTH OF ALEXANDRIA, L.L.C.
HORIZONS HOSPICE CARE, L.L.C.
HOUSECALL HOME HEALTH, L.L.C.
HOUSECALL MEDICAL RESOURCES, L.L.C.
HOUSECALL MEDICAL SERVICES, L.L.C.
HOUSECALL SUPPORTIVE SERVICES, L.L.C.
HOUSECALL, L.L.C.
M.M. ACCUMED VENTURES, L.L.C.
MC VENTURES, LLC
TENDER LOVING CARE HEALTH CARE SERVICES INTERNATIONAL, LLC
TENDER LOVING CARE HEALTH CARE SERVICES MIDWEST, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF BROWARD, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF DADE, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF ERIE NIAGARA, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF FLORIDA, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF GEORGIA, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF ILLINOIS, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF LONG ISLAND, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF MICHIGAN, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF NASSAU SUFFOLK, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF NEW ENGLAND, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF PA, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF WEST VIRGINIA, LLC
TENDER LOVING CARE HEALTH CARE SERVICES OF WESTERN NEW YORK, LLC
TENDER LOVING CARE HEALTH CARE SERVICES SOUTHEAST, LLC
TENDER LOVING CARE HEALTH CARE SERVICES WESTERN, LLC

TLC HEALTH CARE SERVICES, L.L.C.
TLC HOLDINGS I CORP, L.L.C.

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: Vice-President

ACCUMED HEALTH SERVICES, L.P.

By: ACCUMED GENPAR, L.L.C.,
General Partner

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: Vice President

NINE PALMS 1, LP

By: BROOKSIDE HOME HEALTH, LLC,
General Partner

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: Vice President

NINE PALMS 2, LLP

By: MC VENTURES, LLC, General Partner

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: Vice President

[Signature Page to Amendment No. 2 to Note Purchase Agreement and Limited Waiver (Amedisys)]

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Section 3: EX-10.1.1 (EX-10.1.1)

Exhibit 10.1.1

FIRST AMENDMENT TO CREDIT AGREEMENT
AND
LIMITED WAIVER

THIS FIRST AMENDMENT TO CREDIT AGREEMENT AND LIMITED WAIVER (this "Agreement") dated as of September 4, 2013 (the "Effective Date"), is entered into by and among **AMEDISYS HOLDING, L.L.C.**, a Louisiana limited liability company (the "Co-Borrower"), **AMEDISYS, INC.**, a Delaware corporation (the "Lead Borrower", together with the Co-Borrower, the "Borrowers"), each of the Subsidiaries of the Borrowers listed on the signature pages hereof (the "Guarantors"), each of the Lenders (as such term is hereafter defined) party hereto and **JPMORGAN CHASE BANK, N.A.**, as Administrative Agent for the Lenders (the "Agent").

PRELIMINARY STATEMENT

WHEREAS, the Borrowers, the lenders party thereto (the "Lenders") and the Agent entered into that certain Credit Agreement dated as of October 26, 2012 (as amended from time to time, the "Credit Agreement"; capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement); and

WHEREAS, the Borrowers have requested that the Lenders clarify that existing and proposed rights granted with respect to certain Securities do not constitute Liens in violation of Section 7.3 of the Credit Agreement; and

WHEREAS, the Borrowers have requested that the Lenders waive any Event of Default which may arise under Section 7.3 of the Credit Agreement; and

WHEREAS, the Borrowers and the Lenders party hereto have agreed to amend the definition of "Lien" set forth in the Credit Agreement to make such clarification; and

WHEREAS, the Agent and Lenders party hereto are willing to make the waiver and amendment, in each case, on the terms and conditions contained in this Agreement;

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, the parties hereto agree as follows:

1. Limited Waiver. Subject to the terms and conditions set forth herein, the Lenders party hereto hereby waive any Event of Default which may arise under Section 7.3 of the Credit Agreement as a result of the existence of certain rights which may constitute Liens on the Securities of the Specified Entities and Amedisys Home Health, a Lawrence Medical Center Partner, LLC which may not be permitted by Section 7.3 of the Credit Agreement. The waiver set forth in this Section 1 (the "Waiver") is limited to the extent specifically set forth above and no other terms, covenants or provisions of the Credit Agreement or any other Loan Document are intended to be affected hereby. The Waiver is granted only with respect to any failure of the Borrowers to comply with Section 7.3 of the Credit Agreement as a result of the existence of certain rights which may constitute Liens on the Securities of the Specified Entities and

Amedisys Home Health, a Lawrence Medical Center Partner, LLC that are not permitted by Section 7.3 of the Credit Agreement and shall not apply to any violation of Section 7.3 with respect to any Liens other than the existing rights on the Securities of the Specified Entities and Amedisys Home Health, a Lawrence Medical Center Partner, LLC, in each case, as of the Effective Date, or any actual or prospective default or violation of any other provision of the Credit Agreement or any other Loan Document. The Waiver shall not in any manner create a course of dealing or otherwise impair the future ability of the Agent or the Lenders to declare a Default or Event of Default under or otherwise enforce the terms of the Credit Agreement or any other Loan Document with respect to any matter other than those specifically and expressly waived in the Waiver.

2. Amendment to the Credit Agreement. Section 1.1 of the Credit Agreement is hereby amended by amending and restating the definition of "Lien" in its entirety as follows:

"**Lien**": (a) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (b) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities, other than any such existing rights with respect to the Securities of the Specified Entities and Amedisys Home Health, a Lawrence Medical Center Partner, LLC and any purchase option, call or rights similar thereto with respect to the Securities of Amedisys Private Duty, LLC, Georgetown Hospital Home Health, LLC, Morgantown Hospice, LLC and the joint venture to be formed between Amedisys Wyoming, L.L.C. and Memorial Hospital Laramie County dba Cheyenne Regional Medical Center.

3. Conditions Precedent. The effectiveness of this Agreement and of the Waiver are subject to the satisfaction of the following conditions precedent:

(a) the Agent shall have received counterparts of this Agreement, duly executed by the Borrowers, each Guarantor and the Required Lenders; and

(b) all fees and expenses payable to the Agent and the Lenders (including the fees and expenses of counsel to the Agent) accrued to date shall have been paid in full.

4. Ratification. Each of the Borrowers and Guarantors hereby ratifies all of its obligations under the Credit Agreement and each of the Loan Documents to which it is a party, and agrees and acknowledges that the Credit Agreement and each of the Loan Documents to which it is a party are and shall continue to be in full force and effect as amended and modified by this Agreement. Nothing in this Agreement extinguishes, novates or releases any right, claim or entitlement of any of the Lenders or the Agent created by or contained in any of such documents nor is any Borrower or any Guarantor released from any covenant, warranty or obligation created by or contained herein or therein.

5. Representations and Warranties. Each of the Borrowers and Guarantors hereby represents and warrants to the Agent and the Lenders that (a) this Agreement has been duly executed and delivered on behalf of the Borrowers and each of the Guarantors, (b) this Agreement constitutes a valid and legally binding agreement enforceable against each of the Borrowers and Guarantors in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (c) the representations and warranties made by it in the Credit Agreement and the Loan Documents to which it is a party are true and correct on and as of the date hereof in all material respects as though made as of the date hereof except to the extent that such representations and warranties expressly relate to an earlier date in which case they are true and correct as of such earlier date, (d) after giving effect to this Agreement, no Default or Event of Default exists under the Credit Agreement or under any Loan Document; (e) the Persons appearing as Guarantors on the signature pages to this Amendment constitute all Persons who are required to be Guarantors pursuant to the terms of the Credit Agreement and each such Person has executed and delivered a Guaranty Agreement; and (e) the execution, delivery and performance of this Agreement has been duly authorized by each of the Borrowers and Guarantors.

6. Release and Indemnity.

(a) Each of the Borrowers and Guarantors hereby releases and forever discharges the Agent and each of the Lenders and each Affiliate thereof and each of their respective employees, officers, directors, trustees, agents, attorneys, successors, assigns or other representatives from any and all claims, demands, damages, actions, cross-actions, causes of action, costs and expenses (including legal expenses), of any kind or nature whatsoever, whether based on law or equity, which any of said parties has held or may now own or hold, whether known or unknown, for or because of any matter or thing done, omitted or suffered to be done on or before the actual date upon which this Agreement is signed by any of such parties (i) arising directly or indirectly out of the Loan Documents, or any other documents, instruments or any other transactions relating thereto and/or (ii) relating directly or indirectly to all transactions by and between the Borrowers, the Guarantors, or their representatives and the Agent, and each Lender or any of their respective directors, officers, agents, employees, attorneys or other representatives. Such release, waiver, acquittal and discharge shall and does include, without limitation, any claims of usury, fraud, duress, misrepresentation, lender liability, control, exercise of remedies and all similar items and claims, which may, or could be, asserted by any Borrower or any Guarantor **including any such caused by the actions or negligence of the indemnified party (other than its gross negligence or willful misconduct)**.

(b) Each of the Borrowers and Guarantors hereby ratifies the indemnification provisions contained in the Loan Documents, including, without limitation, Section 10.5(b) of the Credit Agreement, and agrees that this Agreement and losses, claims, damages and expenses related thereto shall be covered by such indemnities.

7. Counterparts. This Agreement may be signed in any number of counterparts, which may be delivered in original, facsimile or electronic form each of which shall be construed as an original, but all of which together shall constitute one and the same instrument.

8. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

9. Integration. This Agreement and the other Loan Documents represent the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and there are no promises, undertakings, representations or warranties by the Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

LEAD BORROWER:

AMEDISYS, INC.,
a Delaware corporation

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
President and Chief Financial Officer

CO-BORROWER:

AMEDISYS HOLDING, L.L.C.,
a Louisiana limited liability company

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
Vice President

GUARANTORS:

ADVENTA HOSPICE SERVICES OF FLORIDA, INC.,
a Florida corporation;
AMEDISYS HOME HEALTH, INC. OF ALABAMA,
an Alabama corporation;
AMEDISYS HOME HEALTH, INC. OF SOUTH CAROLINA,
a South Carolina corporation;
AMEDISYS HOME HEALTH, INC. OF VIRGINIA,
a Virginia corporation;
BEACON PALLIATIVE CARE SERVICES, INC.,
a Delaware corporation;
HMA HOLDING, INC.,
a Delaware corporation;
HMR ACQUISITION, INC.,
a Delaware corporation;
ACCUMED HOLDING, L.L.C.,
a Delaware limited liability company;
ACCUMED GENPAR, L.L.C.,
a Texas limited liability company;
ACCUMED HOME HEALTH OF GEORGIA, L.L.C.,
a Georgia limited liability company;
ACCUMED HOME HEALTH OF NORTH TEXAS, L.L.C.,
a Texas limited liability company;
ADVENTA HOSPICE, L.L.C.,
a Florida limited liability company;
ALBERT GALLATIN HOME CARE AND HOSPICE SERVICES, LLC,
a Delaware limited liability company;
AMEDISYS AIR, L.L.C.,
a Louisiana limited liability company;
AMEDISYS ALABAMA, L.L.C.,
a Delaware limited liability company;
AMEDISYS ALASKA, LLC,
an Alaska limited liability company;
AMEDISYS ARIZONA, L.L.C.,
an Arizona limited liability company;
AMEDISYS ARKANSAS, LLC,
an Arkansas limited liability company;

AMEDISYS BA, LLC,
a Delaware limited liability company;
AMEDISYS CALIFORNIA, L.L.C.,
a California limited liability company;
AMEDISYS COLORADO, L.L.C.,
a Colorado limited liability company;
AMEDISYS CONNECTICUT, L.L.C.,
a Connecticut limited liability company;
AMEDISYS DELAWARE, L.L.C.,
a Delaware limited liability company;
AMEDISYS FLORIDA, L.L.C.,
a Florida limited liability company;
AMEDISYS GEORGIA, L.L.C.,
a Georgia limited liability company;
AMEDISYS HMA ACQUISITION, L.L.C.,
a Louisiana limited liability company;
AMEDISYS HOSPICE, L.L.C.,
a Louisiana limited liability company;
AMEDISYS IDAHO, L.L.C.,
an Idaho limited liability company;
AMEDISYS ILLINOIS, L.L.C.,
an Illinois limited liability company;
AMEDISYS INDIANA, L.L.C.,
an Indiana limited liability company;
AMEDISYS IOWA, L.L.C.,
an Iowa limited liability company;
AMEDISYS KANSAS, L.L.C.,
a Kansas limited liability company;
AMEDISYS LA ACQUISITIONS, L.L.C.,
a Louisiana limited liability company;
AMEDISYS LOUISIANA, L.L.C.,
a Louisiana limited liability company;
AMEDISYS MAINE, P.L.L.C.,
a Maine professional limited liability company;
AMEDISYS MARYLAND, L.L.C.,
a Maryland limited liability company;
AMEDISYS MASSACHUSETTS, L.L.C.,
a Massachusetts limited liability company;
AMEDISYS MICHIGAN, L.L.C.,
a Michigan limited liability company;
AMEDISYS MINNESOTA, L.L.C.,
a Minnesota limited liability company;
AMEDISYS MISSISSIPPI, L.L.C.,
a Mississippi limited liability company;

AMEDISYS MISSOURI, L.L.C.,
a Missouri limited liability company;
AMEDISYS NEBRASKA, L.L.C.,
a Nebraska limited liability company;
AMEDISYS NEVADA, L.L.C.,
a Nevada limited liability company;
AMEDISYS NEW HAMPSHIRE, L.L.C.,
a New Hampshire limited liability company;
AMEDISYS NEW JERSEY, L.L.C.,
a New Jersey limited liability company;
AMEDISYS NEW MEXICO, L.L.C.,
a New Mexico limited liability company;
AMEDISYS NORTH CAROLINA, L.L.C.,
a North Carolina limited liability company;
AMEDISYS NORTH DAKOTA, L.L.C.,
a North Dakota limited liability company;
AMEDISYS NORTHWEST, L.L.C.,
a Georgia limited liability company;
AMEDISYS OHIO, L.L.C.,
an Ohio limited liability company;
AMEDISYS OKLAHOMA, L.L.C.,
an Oklahoma limited liability company;
AMEDISYS OREGON, L.L.C.,
an Oregon limited liability company;
AMEDISYS PENNSYLVANIA, L.L.C.,
a Pennsylvania limited liability company;
AMEDISYS PRIVATE DUTY, LLC,
a Delaware limited liability company;
AMEDISYS PROPERTY, L.L.C.,
a Louisiana limited liability company;
AMEDISYS PUERTO RICO, L.L.C.,
a Puerto Rican limited liability company;
AMEDISYS QUALITY OKLAHOMA, L.L.C.,
an Oklahoma limited liability company;
AMEDISYS RHODE ISLAND, L.L.C.,
a Rhode Island limited liability company;
AMEDISYS SC, L.L.C.,
a South Carolina limited liability company;
AMEDISYS SOUTH DAKOTA, L.L.C.,
a South Dakota limited liability company;
AMEDISYS SOUTH FLORIDA, L.L.C.,
a Florida limited liability company;
AMEDISYS SPECIALIZED MEDICAL SERVICES, L.L.C.,
a Louisiana limited liability company;

AMEDISYS SP-IN, L.L.C.,
an Indiana limited liability company;
AMEDISYS SP-KY, L.L.C.,
a Kentucky limited liability company;
AMEDISYS SP-OH, L.L.C.,
an Ohio limited liability company;
AMEDISYS SP-TN, L.L.C.,
a Tennessee limited liability company;
AMEDISYS TENNESSEE, L.L.C.,
a Tennessee limited liability company;
AMEDISYS TEXAS, L.L.C.,
a Texas limited liability company;
AMEDISYS TLC ACQUISITION, L.L.C.,
a Louisiana limited liability company;
AMEDISYS UTAH, L.L.C.,
a Utah limited liability company;
AMEDISYS VENTURES, L.L.C.,
a Delaware limited liability company;
AMEDISYS VIRGINIA, L.L.C.,
a Virginia limited liability company;
AMEDISYS WASHINGTON, L.L.C.,
a Washington limited liability company;
AMEDISYS WESTERN, L.L.C.,
a Delaware limited liability company;
AMEDISYS WEST VIRGINIA, L.L.C.,
a West Virginia limited liability company;
AMEDISYS WISCONSIN, L.L.C.,
a Wisconsin limited liability company;
AMEDISYS WYOMING, L.L.C.,
a Wyoming limited liability company;
ANMC VENTURES, L.L.C.,
a Louisiana limited liability company;
ARNICA THERAPY SERVICES, L.L.C.,
a Louisiana limited liability company;
AVENIR VENTURES, L.L.C.,
a Louisiana limited liability company;
BEACON HOSPICE, L.L.C.,
a Delaware limited liability company;
BROOKSIDE HOME HEALTH, LLC,
a Virginia limited liability company;
COMPREHENSIVE HOME HEALTHCARE SERVICES, L.L.C.,
a Tennessee limited liability company;
EMERALD CARE, L.L.C.,
a North Carolina limited liability company;

FAMILY HOME HEALTH CARE, L.L.C.,
a Kentucky limited liability company;
HHC, L.L.C.,
a Tennessee limited liability company;
HOME HEALTH OF ALEXANDRIA, L.L.C.,
a Louisiana limited liability company;
HORIZONS HOSPICE CARE, L.L.C.,
an Alabama limited liability company;
HOUSECALL, L.L.C.,
a Tennessee limited liability company;
HOUSECALL HOME HEALTH, L.L.C.,
a Tennessee limited liability company;
HOUSECALL MEDICAL RESOURCES, L.L.C.,
a Delaware limited liability company;
HOUSECALL MEDICAL SERVICES, L.L.C.,
a Tennessee limited liability company;
HOUSECALL SUPPORTIVE SERVICES, L.L.C.,
a Florida limited liability company;
MC VENTURES, LLC,
a Mississippi limited liability company;
M.M. ACCUMED VENTURES, L.L.C.,
a Texas limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES INTERNATIONAL, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES MIDWEST, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF BROWARD, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF DADE, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF ERIE NIAGARA, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF FLORIDA, LLC,
a Delaware limited liability company;

TENDER LOVING CARE HEALTH CARE SERVICES OF GEORGIA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF ILLINOIS, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF LONG ISLAND, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF MICHIGAN, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF NASSAU SUFFOLK, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF NEW ENGLAND, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF PA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF WEST VIRGINIA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF WESTERN NEW YORK, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES SOUTHEAST, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES WESTERN, LLC,
a Delaware limited liability company;
TLC HOLDINGS I, L.L.C.,
a Delaware limited liability company;
TLC HEALTH CARE SERVICES, L.L.C.,
a Delaware limited liability company;
ACCUMED HEALTH SERVICES, L.P.,
a Texas limited partnership
By: ACCUMED GENPAR, LLC, its general partner;
NINE PALMS 1, LP,
a Virginia limited partnership
By: BROOKSIDE HOME HEALTH, LLC, its general partner;

NINE PALMS 2, LLP,
a Mississippi limited liability partnership
By: **MC VENTURES, LLC**, its general partner

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
Vice President

AGENT AND LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ John Kushnerick
Name: John Kushnerick
Title Vice President

LENDER:

BANK OF AMERICA, N.A.

By: /s/ Daniel Penkar
Name: Daniel Penkar
Title Senior Vice President

LENDER:

FIFTH THIRD BANK

By: /s/ Joshua N. Livingston
Name: Joshua N. Livingston
Title Duly Authorized Signatory

LENDER:

COMPASS BANK

By: /s/ Latrice Tubbs
Name: Latrice Tubbs
Title Vice President

LENDER:

BOKF, NA dba BANK OF TEXAS

By: /s/ Gary K. Whitt
Name: Gary K. Whitt
Title SVP

LENDER:

RBS CITIZENS, N.A.

By: /s/ Cheryl Carangelo
Name: Cheryl Carangelo
Title Senior Vice President

LENDER:

UNION BANK, N.A.

By: /s/ Richard A. Lopatt
Name: Richard A. Lopatt
Title Vice President

LENDER:

REGIONS BANK

By: /s/ Peter Little
Name: Peter Little
Title Vice President

LENDER:

RAYMOND JAMES BANK, N.A.

By: /s/ Alexander L. Rody
Name: Alexander L. Rody
Title Senior Vice President

Signature Page to First Amendment to Credit Agreement and Limited Waiver

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Section 4: EX-10.1.2 (EX-10.1.2)

EXECUTION VERSION **Exhibit 10.1.2**

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Agreement") dated as of November 11, 2013 (the "Effective Date"), is entered into by and among **AMEDISYS HOLDING, L.L.C.**, a Louisiana limited liability company (the "Co-Borrower"), **AMEDISYS, INC.**, a Delaware corporation (the "Lead Borrower", together with the Co-Borrower, the "Borrowers"), each of the Subsidiaries of the Borrowers listed on the signature pages hereof (the "Guarantors"), each of the Lenders (as such term is hereafter defined) party hereto and **JPMORGAN CHASE BANK, N.A.**, as Administrative Agent for the Lenders (the "Administrative Agent").

PRELIMINARY STATEMENT

WHEREAS, the Borrowers, the lenders party thereto (the "Lenders") and the Administrative Agent entered into that certain Credit Agreement dated as of October 26, 2012 (as amended by that certain First Amendment to Credit Agreement and Limited Waiver dated as of September 4, 2013, and as further amended from time to time, the "Credit Agreement"; capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement); and

WHEREAS, the Borrowers, the Lenders party hereto and the Administrative Agent desire to amend the Credit Agreement as hereinafter provided;

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Amendments to Section 1.1. Section 1.1 of the Credit Agreement is hereby amended as follows:

(a) The definitions of "Applicable Margin" and "Applicable Commitment Fee" are hereby amended to restate the pricing grid contained therein as follows:

Pricing Level	Total Leverage Ratio	Applicable Margin for Eurodollar Loans	Applicable Margin for ABR Loans	Applicable Commitment Fee
I	≥ 2.50	3.25%	2.25%	0.50%
II	< 2.50 and ≥ 2.00	3.00%	2.00%	0.50%
III	< 2.00 and ≥ 1.50	2.75%	1.75%	0.50%
IV	< 1.50	2.50%	1.50%	0.45%

(b) The definitions of "Applicable Margin" and "Applicable Commitment Fee" are hereby further amended to add the following new sentence at the end of said definitions:

"Notwithstanding the foregoing or anything else in this Agreement to the contrary, for the period from the Second Amendment Effective Date through the date the financial statements and Compliance Certificate are required to be delivered pursuant to **Section 6.1 (b)** and **Section 6.2(b)** for the Fiscal Quarter ending March 31, 2014, the Applicable Margin and Applicable Commitment Fee shall be determined at Pricing Level I."

(c) The last sentence of the definition of "Consolidated Adjusted EBITDA" is hereby deleted in its entirety and replaced with the following:

"Consolidated Adjusted EBITDA shall be adjusted to add back to Consolidated Net Income, to the extent deducted therefrom, (a) any one-time expenses relating to restructuring (not to exceed $10,000,000 in the aggregate during the term hereof) and discontinued operations and any payments in respect of either of the foregoing, in each case, that are approved by the Administrative Agent, which approval shall not be unreasonably withheld or delayed and (b) reserves set aside in anticipation of the settlement agreement with respect to the U.S. Department of Justice Civil Investigative Demand Pursuant to False Claims Act and Stark Law Matters, as disclosed to the Administrative Agent in writing by the Borrowers prior to the Second Amendment Effective Date, together with associated fees and expenses, in a maximum aggregate amount not to exceed $175,000,000.

(d) The definition of "Consolidated Cash Interest Expense" is hereby amended to add the following new sentence at the end of said definition:

"For purposes hereof, Consolidated Cash Interest Expense shall not include amounts accrued as interest prior to the execution of the settlement agreement with respect to the U.S. Department of Justice Civil Investigative Demand Pursuant to False Claims Act and Stark Law Matters, as disclosed to the Administrative Agent in writing by the Borrowers prior to the Second Amendment Effective Date, that are paid simultaneously with the execution thereof, such amounts not to exceed $1,700,000 in the aggregate."

(e) The definition of "Consolidated Net Income" is hereby amended to insert the following new clause (vi) at the end of said definition:

"and (vi) income from discontinued operations."

(f) The definition of "Fixed Charge Coverage Ratio" is hereby deleted in its entirety and replaced with the following:

"**Fixed Charge Coverage Ratio**": the ratio as of the last day of any Fiscal Quarter of (i) Consolidated Adjusted EBITDAR minus

Consolidated Capital Expenditures (not to exceed $30,000,000) minus Taxes based on income that are paid in cash, all for the four-Fiscal Quarter period then ending, to (ii) scheduled payments of principal on Indebtedness of Borrower and its Subsidiaries (other than such payments in respect of the Senior Notes) plus Consolidated Cash Interest Expense plus Consolidated Rent, all for such four-Fiscal Quarter period.

(g) The definition of "Guaranty Agreement" is hereby deleted in its entirety and replaced with the following:

"**Guaranty Agreement**": each Guaranty Agreement executed and delivered by each Guarantor, substantially in the form of **Exhibit A**.

(h) The definition of "Liens" is hereby deleted in its entirety and replaced with the following:

"**Lien**": (a) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (b) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities, other than any such rights with respect to the Securities of Persons owned by the Borrowers as a result of Investments made in accordance with **Section 7.7(j)** and any purchase option, call or rights similar thereto with respect to the Securities of such Persons.

(i) The definition of "Liquidity" is hereby deleted in its entirety and replaced with the following:

"**Liquidity**": at any time, the sum of the aggregate Available Revolving Commitments plus unrestricted cash and Cash Equivalents of the Borrowers minus the aggregate amount of payments due pursuant to contractual settlement agreements, binding arbitration awards and judicial or administrative judgments or awards within twelve (12) months after the date of determination.

(j) The definition of "Material Adverse Effect" is hereby deleted in its entirety and replaced with the following:

"**Material Adverse Effect**": any event, development or circumstance that has had or would reasonably be expected to have a material adverse effect on (a) the business, property, operations,

condition (financial or otherwise) or prospects of the Borrowers and their Subsidiaries taken as a whole (provided that the investigation of any Governmental Authority with respect to the U.S. Department of Justice Civil Investigative Demand Pursuant to False Claims Act and Stark Law Matters, as disclosed to the Administrative Agent in writing by the Borrowers prior to the Second Amendment Effective Date, and any related settlement agreements and payments in respect thereof in an aggregate amount not to exceed $175,000,000 shall not be deemed a material adverse effect hereunder), (b) the ability of the Loan Parties to fully and timely perform their obligations under the Loan Documents, (c) the legality, validity, binding effect or enforceability of this Agreement or any of the other Loan Documents against the Loan Parties or the rights and remedies of the Administrative Agent or the Lenders hereunder or thereunder or (d) the rights, remedies and benefits available to, or conferred upon, the Administrative Agent, Issuing Lender and the Lenders thereunder.

(k) The definition of "Obligations" is hereby amended to insert the following new phrase at the end of said definition:

"; provided that the Obligations shall specifically exclude the Excluded Swap Obligations"

(l) The definition of "Permitted Acquisition" is hereby amended to restate clause (b) thereof as follows:

"(b) the Borrowers and their Subsidiaries shall have delivered to the Administrative Agent at least five Business Days prior to such proposed acquisition, a certificate evidencing compliance with **Sections 7.1(a)** and **(b)** on a pro forma basis after giving effect to such acquisition,".

(m) The definition of "Security and Pledge Agreement" is hereby deleted in its entirety and replaced with the following:

"**Security and Pledge Agreement**": the security and pledge agreement dated as of the Second Amendment Effective Date, executed by the Borrowers and each Guarantor in favor of the Administrative Agent.

(n) The definition of "Total Leverage Ratio" is hereby deleted in its entirety and replaced with the following:

"**Total Leverage Ratio**": the ratio as of the last day of any Fiscal Quarter of (a) the sum of (i) Consolidated Total Debt as of such day plus (ii) the then outstanding aggregate amount owing by the

Borrowers and their Subsidiaries pursuant to contractual settlement agreements, binding arbitration awards and judicial or administrative judgments or awards, plus, without duplication, the aggregate amount of reserves set aside in anticipation thereof, to (b) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period ending on such date.

(o) The following new definitions are hereby added to Section 1.1 of the Credit Agreement in proper alphabetical order:

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"**Excluded Swap Obligation**" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

"**Joinder Agreement**": the Joinder to the Security and Pledge Agreement substantially in the form of **Exhibit I**.

"**Second Amendment Effective Date**": November 11, 2013.

"**Swap Obligation**" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

2. Amendment to Section 4.5. Section 4.5 of the Credit Agreement is hereby amended to delete the phrase "and in favor of the holders of the Senior Notes as contemplated by **Section 6.14**".

3. Amendment to Section 4.16. Section 4.16 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"**4.16 Intentionally Deleted**."

4. Amendment to Section 6.10. Section 6.10 of the Credit Agreement is amended to delete the last sentence of subsection (a) thereof in its entirety and restate subsection (b) in its entirety as follows:

"(b) Within thirty days after the Borrowers create or acquire a new Subsidiary that is required to be a Guarantor pursuant to **paragraph (a)** above, the Borrowers shall (i) cause such new Subsidiary to become a Guarantor by executing and delivering to the Administrative Agent a Guaranty Agreement, (ii) cause such new Subsidiary to grant a security interest in all Collateral owned by such new Subsidiary by executing and delivering to Administrative Agent a Joinder Agreement and to comply with the terms of the Security and Pledge Agreement, (iii) deliver to the Administrative Agent such original Capital Stock or other certificates and stock or other transfer powers evidencing the Capital Stock of such new Subsidiary and (iv) deliver such documents and certificates as are similar to those described in **Section 5.1(h)**, together with such other documents relating to such new Subsidiary as the Administrative Agent shall reasonably request in order to comply with the requirements of this Section and of the Security and Pledge Agreement. With respect to each new Subsidiary, whether or not such Subsidiary is required to provide a Guaranty Agreement pursuant to **paragraph (a)** above, the Borrowers shall promptly send to Administrative Agent written notice setting forth with respect to such Person (i) the date on which such Person became a Subsidiary of the Borrowers and (ii) all of the data required to be set forth in **Schedule 4.15** with respect to all Subsidiaries of the Borrowers; provided, such written notice shall be deemed to supplement **Schedule 4.15** for all purposes hereof."

5. Amendment to Section 6.14. Section 6.14 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"**6.14 Intentionally Deleted**."

6. Amendment to Article 6. Article 6 of the Credit Agreement is hereby amended to add the following new Section 6.16 in proper numerical order:

"**6.16 Use of Proceeds**. The proceeds of the Initial Term Loan and the initial Revolving Loans shall be used to refinance the Original Agreement and a portion of the Indebtedness evidenced by the Senior Notes. The proceeds of the Revolving Loans, the Swingline Loans, the Letters of Credit and any Incremental Term Loans shall be used (a) to finance the working capital needs and

for general corporate purposes of the Borrowers and their Subsidiaries in the ordinary course of business and (b) until October 31, 2014, to pay amounts owing pursuant to the settlement agreement with respect to the U.S. Department of Justice Civil Investigative Demand Pursuant to False Claims Act and Stark Law Matters, as disclosed to the Administrative Agent in writing by the Borrowers prior to the Second Amendment Effective Date, together with associated fees and expenses; provided that the aggregate amount of proceeds of the Loans used for the purposes described in this **clause (b)** shall not exceed $175,000,000."

7. Amendment to Section 7.1. Section 7.1 of the Credit Agreement is hereby amended to restate subsections (a) and (b) thereof in their entirety as follows:

"(a) **Total Leverage Ratio**. The Borrowers and their Subsidiaries will not permit the Total Leverage Ratio as of the last day of any Fiscal Quarter to be greater than (i) 3.50 to 1.0 for the Fiscal Quarter ending September 30, 2013, for the Fiscal Quarter ending December 31, 2013, for the Fiscal Quarter ending March 31, 2014 and for the Fiscal Quarter ending June 30, 2014, (ii) 3.25 to 1.0 for the Fiscal Quarter ending September 30, 2014, (iii) 3.00 to 1.0 for the Fiscal Quarter ending December 31, 2014, (iv) 2.50 to 1.0 for the Fiscal Quarter ending March 31, 2015 and for the Fiscal Quarter ending June 30, 2015 and (v) 2.00 to 1.0 for each Fiscal Quarter ending thereafter. With respect to any rolling four quarter period during which a Material Asset Sale, a Material Acquisition or, in the Lead Borrower's discretion, any other Permitted Acquisition has occurred (each, a "**Subject Transaction**"), for purposes of determining compliance with Total Leverage Ratio, Consolidated Adjusted EBITDA shall be calculated on a pro forma basis (without duplication) giving effect to such Subject Transaction as if it had been consummated or incurred or repaid at the beginning of the relevant four quarter period. The determination of such pro forma Consolidated Adjusted EBITDA shall be further modified pursuant to **Section 7.1(c)(i)**.

(b) **Fixed Charge Coverage Ratio**. The Borrowers and their Subsidiaries will not permit the Fixed Charge Coverage Ratio as of the last day of any Fiscal Quarter to be less than (i) 1.20 to 1.0 for the Fiscal Quarter ending September 30, 2013, for the Fiscal Quarter ending December 31, 2013 and for the Fiscal Quarter ending March 31, 2014, (ii) 1.10 to 1.0 for the Fiscal Quarter ending June 30, 2014 and for the Fiscal Quarter ending September 30, 2014, (iii) 1.15 to 1.0 for the Fiscal Quarter ending December 31, 2014, (iv) 1.20 to 1.0 for the Fiscal Quarter ending March 31, 2015 and for the Fiscal Quarter ending June 30, 2015 and (v) 1.25 to 1.0 for each Fiscal Quarter ending thereafter."

8. Amendment to Section 7.2. Section 7.2 of the Credit Agreement is hereby amended to restate subsections (f), (h), (i), (m) and (p) thereof in their entirety as follows:

"(f) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by **Section 7.3(g)** in an aggregate principal amount not to exceed $5,000,000 at any one time outstanding;

"(h) additional Indebtedness of the Borrowers or any of their Subsidiaries in an unsecured aggregate principal amount (for the Borrowers and all Subsidiaries) not to exceed $20,000,000 at any one time outstanding, excluding Indebtedness permitted by **clause (o)** below;

(i)(i) Indebtedness of a Person that becomes a Subsidiary or Indebtedness incurred to finance assets of a Person that are acquired by the Borrowers or any of their Subsidiaries, in either case, as the result of a Permitted Acquisition in an aggregate amount not to exceed at any time $5,000,000; provided that (x) such Indebtedness existed at the time such Person became a Subsidiary or at the time such assets were acquired by the Borrowers or any of their Subsidiaries and, in each case, was not created in anticipation thereof and (y) such Indebtedness is not guaranteed in any respect by the Borrowers or any of their Subsidiaries (other than by any such Person that so becomes a Subsidiary), and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in **Section 7.2(f)** or **subclause (i)** of this **Section 7.2(i)**; provided, that (1) the principal amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension, (2) the direct and contingent obligors with respect to such Indebtedness are not changed and (3) such Indebtedness shall not be secured by any assets other than the assets securing the Indebtedness being renewed, extended or refinanced;

(m) other secured Indebtedness of the Borrowers or any of their Subsidiaries in an aggregate amount not to exceed at any time $5,000,000 in addition to Indebtedness described in **Schedule 7.2**;

(p) intentionally deleted."

9. Amendment to Section 7.3. Section 7.3 of the Credit Agreement is hereby amended to restate subsections (m) and (o) thereof in their entirety as follows:

"(m) Liens related to Indebtedness permitted under **Section 7.2(m)** not otherwise permitted by this Section so long as neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to the Borrowers and all Subsidiaries) $5,000,000 at any one time;

(o) intentionally deleted."

10. Amendment to Section 7.4. Section 7.4 of the Credit Agreement is hereby amended to restate subsections (c), (e) and (g) thereof in their entirety as follows:

"(c)(i) Asset Sales pending as of the Second Amendment Effective Date and described on **Schedule 7.4** and (ii) other Asset Sales not permitted by any other clause of this **Section 7.4** made after the Second Amendment Effective Date, the proceeds of which (valued at the principal amount thereof in the case of non-cash proceeds consisting of notes or other debt Securities and valued at fair market value in the case of other non-cash proceeds) when aggregated with the proceeds of all other Asset Sales made pursuant to this **clause (ii)** after the Second Amendment Effective Date and prior to the date of determination, are less than $10,000,000; provided (A) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (if the value is greater than $5,000,000, as determined in good faith by the Board of Directors of the Lead Borrower) and (B) no less than 90% of such consideration shall be paid in cash or in Cash Equivalents;

(e) Permitted Acquisitions; provided that the aggregate consideration for all Permitted Acquisitions in any Fiscal Year ending after the Second Amendment Effective Date shall not exceed $10,000,000;

(g)(i) Asset Sales by the Borrowers or Guarantors to any of their Subsidiaries that are not Guarantors or to any Person in which the Borrowers or one or more Wholly-Owned Subsidiaries of the Borrowers own or will own upon consummation of the Asset Sale 50% of the Capital Stock of such Person and (ii) Dispositions of no more than 50% of the Capital Stock of a Wholly-Owned Subsidiary that is not a Guarantor to any Person; provided (A) the consideration received for such assets or Dispositions in the case of the foregoing **clauses (i)** and **(ii)**, as applicable, shall be in an amount at least equal to the fair market value thereof (if the value is greater than $5,000,000, as determined in good faith by the Board of Directors of the Lead Borrower) and (B) the aggregate fair market value of the assets sold or otherwise disposed of pursuant to this **Section 7.4(g)** from and after the Second Amendment Effective Date shall not exceed $10,000,000 during the term of this Agreement;".

11. Amendment to Section 7.6. Section 7.6 of the Credit Agreement is hereby amended to restate subsection (a) thereof in its entirety as follows:

"(a) the Lead Borrower may make Restricted Payments in an aggregate amount during the term hereof not to exceed at the time of such Restricted Payment, 50% of Consolidated Net Income for each Fiscal Quarter ending on or after September 30, 2013, to the extent positive, minus 100% of Consolidated Net Income for each Fiscal Quarter ending on or after September 30, 2013, to the extent negative; provided, immediately prior to, and after giving pro forma effect to such Restricted Payment, (A) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (B) the Total Leverage Ratio is less than 1.50 to 1.0 and (C) Liquidity is greater than or equal to $50,000,000; and".

12. Amendment to Section 7.7. Section 7.7 of the Credit Agreement is hereby amended to restate subsections (f) and (j) thereof in their entirety as follows:

"(f) Consolidated Capital Expenditures in an amount not to exceed (i) $17,000,000 in the Fiscal Quarter ending December 31, 2013 and (ii) $35,000,000 in the Fiscal Year ending December 31, 2014 and in any Fiscal Year ending thereafter; and

(j)(i) equity Investments owned as of the Second Amendment Effective Date in Persons that are not Wholly-Owned Subsidiaries of the Borrowers and additional Investments in such Persons to be made on or before March 31, 2014, in each case, as described on **Schedule 7.7**, and (ii) other Investments not permitted by any other clause of this **Section 7.7** made after the Second Amendment Effective Date in Persons that are not Wholly-Owned Subsidiary Guarantors in an aggregate amount under this **clause (ii)** not to exceed at any time $30,000,000, net of amounts realized in respect of such Investments upon the sale, collection or return of capital (not to exceed the original amount invested)."

13. Amendment to Section 7.14. Section 7.14 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"**7.14 No Foreign Subsidiaries or Certain Other Subsidiaries**. No Loan Party shall, nor shall it permit any of its Subsidiaries to, create, acquire or otherwise own directly or indirectly:

(a) any Foreign Subsidiary; and

(b) from and after the Second Amendment Effective Date and except with respect to the Specified Entities and Immaterial Subsidiaries, any Subsidiary that is not a Wholly-Owned Subsidiary with respect to which the Borrowers have not obtained consents to the following actions from all of the owners of Capital Stock therein: (i) to pledge the Capital Stock of such Subsidiary owned by the Borrowers or any of their Subsidiaries to secure the Obligations and (ii) to admit the Administrative Agent or its designee as a substitute member or partner, as the case may be, following any foreclosure on such Capital Stock."

14. Amendment to Article 8. Article 8 of the Credit Agreement is hereby amended to restate subsection (c) thereof in its entirety as follows, add the word "or" at the end of subsection (m) thereof, add the following new subsection (n) immediately after subsection (m) thereof and delete "(n)" at the beginning of the last paragraph thereof:

"(c) any Loan Party shall default in the observance or performance of any agreement contained in **clause (i)** or **(ii)** of **Section 6.4(a)** (with respect to Co-Borrower and Lead Borrower only), **Sections 6.7(a)**, **6.10(b)**, **6.16**, **7.1**, **7.4**, **7.5**, **7.6**, **7.7**, **7.10**, **7.11**, **7.12**, **7.13**, **7.14**, **7.15** and **7.16** of this Agreement or any Incorporated Covenant (after giving effect to the grace period (if applicable) in respect of such comparable covenant in the Note Purchase Agreement, without duplication of any grace period contained herein); or

(n) a default, event of default or similar event, however so defined under the terms thereof, shall occur under the settlement agreement between the Lead Borrower and the relevant Governmental Authority in respect of the U.S. Department of Justice Civil Investigative Demand Pursuant to False Claims Act and Stark Law Matters;"

15. Amendment to Section 10.14. Section 10.14 of the Credit Agreement is hereby amended to restate subsection (a) thereof in its entirety as follows:

"(a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by **Section 10.1**) and agrees to take any action requested by the Borrowers having the effect of releasing any Guarantee Obligations and/or any Collateral (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with **Section 10.1** or (ii) under the circumstances described in **paragraph (b)** below."

16. Amendment to Exhibit A. Exhibit A attached to the Credit Agreement is hereby amended to add the following new Section 19 immediately after Section 18 of said Exhibit:

"**Section 19.** Keepwell. Each Qualified ECP Guarantor (as hereinafter defined) hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guaranty in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 19 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 19, or otherwise under this Guaranty, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until termination of this Guaranty as described in Section 4 hereof. Each Qualified ECP Guarantor intends that this Section 19 constitute, and this Section 19 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act. As used herein, "Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee Obligation or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other Person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act."

17. Amendment to Credit Agreement. The Credit Agreement is hereby amended to (a) add thereto Exhibit I and Schedule 7.4 in the forms attached hereto and (b) delete therefrom Schedule 7.7 in its entirety and insert in place thereof Schedule 7.7 in the form attached hereto.

18. Keepwell. By its execution hereof, each Qualified ECP Guarantor (as hereinafter defined) hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under the Guaranty Agreement in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 18 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 18, or otherwise under the Guaranty Agreement, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not

for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until termination of the Guaranty Agreement as described in Section 4 thereof. Each Qualified ECP Guarantor intends that this Section 18 constitute, and this Section 18 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act. As used herein, "Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee Obligation or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other Person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

19. Conditions Precedent. The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received (i) counterparts of this Agreement, duly executed by the Borrowers, each Guarantor and the Required Lenders and (ii) a Security and Pledge Agreement duly executed by the Borrowers and each Guarantor in favor of the Administrative Agent, in form and substance satisfactory to the Administrative Agent.

(b) The Administrative Agent shall have received satisfactory evidence of the redemption, repurchase or retirement of the Senior Notes in their entirety.

(c) All material governmental and third party approvals necessary in connection with the continuing operations of the Group Members and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the financing contemplated hereby.

(d) The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where assets of the Loan Parties are located, other than as set forth in Section 20 below, and such search shall reveal no Liens on any of the assets of the Loan Parties except for Liens permitted or created by the Loan Documents or discharged on or prior to the Effective Date pursuant to documentation satisfactory to the Administrative Agent.

(e) The Administrative Agent shall have received all fees required to be paid to it and to the Lenders, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Effective Date.

(f) The Administrative Agent shall have received (i) a certificate of good standing (or equivalent) for each Loan Party from its jurisdiction of organization, other than as set forth in Section 20 below, and (ii) such other documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Loan Party, the authorization of the transactions contemplated hereby, the authority of any natural Person executing any of the Loan Documents on behalf of any Loan Party and any other legal matters relating to the Loan Parties, this Agreement or the transactions contemplated herby, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(g) The Administrative Agent shall have received the executed legal opinions of (i) King & Spalding, Delaware and New York counsel to the Borrowers and their Subsidiaries, (ii) Kantrow Spaht Weaver & Blitzer (APLC), Louisiana counsel to the Borrowers and their Subsidiaries and (iii) in-house counsel to the Borrowers and their Subsidiaries, which opinions shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

(h) The Administrative Agent shall have received all membership and stock certificates of each Subsidiary of each Loan Party (other than the Specified Entities and the Immaterial Subsidiaries) together with related stock and membership powers executed in blank by the applicable Loan Party.

(i) The Administrative Agent shall have received all documents and other information that it may request relating to any other matter relevant hereto, all in form and substance satisfactory to the Administrative Agent.

20. Post-Effective Date Obligations. The Borrowers shall:

(a) within 30 days after the Effective Date (or such longer period of time as may be agreed to by the Administrative Agent with respect to any of the following items), deliver to the Administrative Agent:

(i) insurance certificates indicating the coverages required by Exhibit F attached to the Credit Agreement, which such certificates shall name the Administrative Agent as an additional insured and as a loss payee on the liability and casualty insurance policies;

(ii) the results of lien searches for the prior names of any Loan Party, as such prior names are listed on Annex 7 to the Security and Pledge Agreement, and such searches shall reveal no Lien on any of the assets of such Loan Parties except for Liens permitted or created by the Loan Documents, or if any such lien search shall reveal a Lien not permitted or created by the Loan Documents, the applicable Loan Party shall cause such Lien to be discharged pursuant to documentation satisfactory to the Administrative Agent; and

(iii) evidence satisfactory to the Administrative Agent of the discharge of the Liens listed in Part A of Annex I attached hereto;

(b) within 45 days after the Effective Date (or such longer period of time as may be agreed to by the Administrative Agent with respect to either of the following items):

(i) deliver to the Administrative Agent certificates of good standing for the Loan Parties and from the Secretaries of State listed in Part B of Annex I attached hereto; and

(ii) with respect to that certain location in Baton Rouge, Louisiana known as Bon Carré Business Center, where certain of the Borrowers' computer equipment is located, use commercially reasonable efforts to obtain and deliver to the Administrative Agent either (A) a waiver of landlord's lien in form and substance reasonably satisfactory to the Administrative Agent or (B) a waiver from any Person that has possession of such computer equipment or on whose real property such computer equipment is located in form and substance reasonably satisfactory to the Administrative Agent, as applicable;

(c) within 60 days after the Effective Date (or such longer period of time as may be agreed to by the Administrative Agent deliver such documents as the Administrative Agent shall deem necessary or advisable to grant to the Administrative Agent (for the benefit of the Secured Parties) a Lien on any aircraft owned by any Loan Party, subject to no Liens other than Permitted Liens, and take all actions necessary to cause such Lien to be duly perfected in accordance with applicable law, except in the event any such aircraft is sold by such Loan Party in accordance with the Credit Agreement during such 60 day period after the Effective Date (or such longer period of time as may be agreed to by the Administrative Agent); and

(d) within 180 days after the Effective Date, deliver to the Administrative Agent a fully executed copy of the settlement agreement between the Lead Borrower and the relevant Governmental Authority in respect of the U.S. Department of Justice Civil Investigative Demand Pursuant to False Claims Act and Stark Law Matters, as disclosed to the Administrative Agent in writing by the Borrowers prior to the Effective Date, such settlement agreement to be in form and substance reasonably satisfactory to the Administrative Agent (such approval not to be unreasonably withheld or delayed), together with (i) evidence that such Governmental Authority has released the Lead Borrower and its Subsidiaries from any civil or monetary claim it has for the particular covered conduct that is the subject of such settlement agreement under the relevant statutes and legal theories asserted by such Governmental Authority, subject to customary exclusions and (ii) any corporate integrity or similar agreements agreed to by the Lead Borrower in connection therewith.

Failure to comply with the obligations set forth in this Section 20 shall be an Event of Default.

21. Ratification. Each of the Borrowers and Guarantors hereby ratifies all of its obligations under the Credit Agreement and each of the Loan Documents to which it is a party, and agrees and acknowledges that the Credit Agreement and each of the Loan Documents to which it is a party are and shall continue to be in full force and effect as amended and modified by this Agreement. Nothing in this Agreement extinguishes, novates or releases any right, claim or entitlement of any of the Lenders or the Administrative Agent created by or contained in any of such documents nor is any Borrower or any Guarantor released from any covenant, warranty or obligation created by or contained herein or therein.

22. Representations and Warranties. Each of the Borrowers and Guarantors hereby represents and warrants to the Administrative Agent and the Lenders that (a) this Agreement has been duly executed and delivered on behalf of the Borrowers and each of the Guarantors, (b) this Agreement constitutes a valid and legally binding agreement enforceable against each of the Borrowers and Guarantors in accordance with its terms, subject to applicable

bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (c) the representations and warranties made by it in the Credit Agreement and the Loan Documents to which it is a party are true and correct on and as of the date hereof in all material respects as though made as of the date hereof except to the extent that such representations and warranties expressly relate to an earlier date in which case they are true and correct as of such earlier date, (d) after giving effect to this Agreement, no Default or Event of Default exists under the Credit Agreement or under any Loan Document; (e) the Persons appearing as Guarantors on the signature pages to this Amendment constitute all Persons who are required to be Guarantors pursuant to the terms of the Credit Agreement and each such Person has executed and delivered a Guaranty Agreement; and (f) the execution, delivery and performance of this Agreement has been duly authorized by each of the Borrowers and Guarantors.

23. Release and Indemnity.

(a) Each of the Borrowers and Guarantors hereby releases and forever discharges the Administrative Agent and each of the Lenders and each Affiliate thereof and each of their respective employees, officers, directors, trustees, agents, attorneys, successors, assigns or other representatives from any and all claims, demands, damages, actions, cross-actions, causes of action, costs and expenses (including legal expenses), of any kind or nature whatsoever, whether based on law or equity, which any of said parties has held or may now own or hold, whether known or unknown, for or because of any matter or thing done, omitted or suffered to be done on or before the actual date upon which this Agreement is signed by any of such parties (i) arising directly or indirectly out of the Loan Documents, or any other documents, instruments or any other transactions relating thereto and/or (ii) relating directly or indirectly to all transactions by and between the Borrowers, the Guarantors, or their representatives and the Administrative Agent, and each Lender or any of their respective directors, officers, agents, employees, attorneys or other representatives. Such release, waiver, acquittal and discharge shall and does include, without limitation, any claims of usury, fraud, duress, misrepresentation, lender liability, control, exercise of remedies and all similar items and claims, which may, or could be, asserted by any Borrower or any Guarantor **including any such caused by the actions or negligence of the indemnified party (other than its gross negligence or willful misconduct)**.

(b) Each of the Borrowers and Guarantors hereby ratifies the indemnification provisions contained in the Loan Documents, including, without limitation, Section 10.5(b) of the Credit Agreement, and agrees that this Agreement and losses, claims, damages and expenses related thereto shall be covered by such indemnities.

24. Counterparts. This Agreement may be signed in any number of counterparts, which may be delivered in original, facsimile or electronic form each of which shall be construed as an original, but all of which together shall constitute one and the same instrument.

25. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

26. Integration. This Agreement and the other Loan Documents represent the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

27. Agreement is a Loan Document. This Agreement is a Loan Document as defined in the Credit Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

LEAD BORROWER:

AMEDISYS, INC.,
a Delaware corporation

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
President and Chief Financial Officer

CO-BORROWER:

AMEDISYS HOLDING, L.L.C.,
a Louisiana limited liability company

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
Vice President

GUARANTORS:

ADVENTA HOSPICE SERVICES OF FLORIDA, INC.,
a Florida corporation;
AMEDISYS HOME HEALTH, INC. OF ALABAMA,
an Alabama corporation;
AMEDISYS HOME HEALTH, INC. OF SOUTH CAROLINA,
a South Carolina corporation;
AMEDISYS HOME HEALTH, INC. OF VIRGINIA,
a Virginia corporation;
HMR ACQUISITION, INC.,
a Delaware corporation;
ACCUMED GENPAR, L.L.C.,
a Texas limited liability company;
ACCUMED HOLDING, L.L.C.,
a Delaware limited liability company;
ACCUMED HOME HEALTH OF GEORGIA, L.L.C.,
a Georgia limited liability company;
ACCUMED HOME HEALTH OF NORTH TEXAS, L.L.C.,
a Texas limited liability company;
ADVENTA HOSPICE, L.L.C.,
a Florida limited liability company;
ALBERT GALLATIN HOME CARE AND HOSPICE SERVICES, LLC,
a Delaware limited liability company;
AMEDISYS AIR, L.L.C.,
a Louisiana limited liability company;
AMEDISYS ALABAMA, L.L.C.,
an Alabama limited liability company;
AMEDISYS ALASKA, LLC,
an Alaska limited liability company;
AMEDISYS ARIZONA, L.L.C.,
an Arizona limited liability company;
AMEDISYS ARKANSAS, LLC,
an Arkansas limited liability company;
AMEDISYS BA, LLC,
a Delaware limited liability company;
AMEDISYS CALIFORNIA, L.L.C.,
a California limited liability company;

AMEDISYS COLORADO, L.L.C.,
a Colorado limited liability company;
AMEDISYS CONNECTICUT, L.L.C.,
a Connecticut limited liability company;
AMEDISYS DELAWARE, L.L.C.,
a Delaware limited liability company;
AMEDISYS FLORIDA, L.L.C.,
a Florida limited liability company;
AMEDISYS GEORGIA, L.L.C.,
a Georgia limited liability company;
AMEDISYS HOSPICE, L.L.C.,
a Louisiana limited liability company;
AMEDISYS IDAHO, L.L.C.,
an Idaho limited liability company;
AMEDISYS ILLINOIS, L.L.C.,
an Illinois limited liability company;
AMEDISYS INDIANA, L.L.C.,
an Indiana limited liability company;
AMEDISYS IOWA, L.L.C.,
an Iowa limited liability company;
AMEDISYS KANSAS, L.L.C.,
a Kansas limited liability company;
AMEDISYS LA ACQUISITIONS, L.L.C.,
a Louisiana limited liability company;
AMEDISYS LOUISIANA, L.L.C.,
a Louisiana limited liability company;
AMEDISYS MAINE, P.L.L.C.,
a Maine professional limited liability company;
AMEDISYS MARYLAND, L.L.C.,
a Maryland limited liability company;
AMEDISYS MASSACHUSETTS, L.L.C.,
a Massachusetts limited liability company;
AMEDISYS MICHIGAN, L.L.C.,
a Michigan limited liability company;
AMEDISYS MINNESOTA, L.L.C.,
a Minnesota limited liability company;
AMEDISYS MISSISSIPPI, L.L.C.,
a Mississippi limited liability company;
AMEDISYS MISSOURI, L.L.C.,
a Missouri limited liability company;
AMEDISYS NEBRASKA, L.L.C.,
a Nebraska limited liability company;
AMEDISYS NEVADA, L.L.C.,
a Nevada limited liability company;

AMEDISYS NEW HAMPSHIRE, L.L.C.,
a New Hampshire limited liability company;
AMEDISYS NEW JERSEY, L.L.C.,
a New Jersey limited liability company;
AMEDISYS NEW MEXICO, L.L.C.,
a New Mexico limited liability company;
AMEDISYS NORTH CAROLINA, L.L.C.,
a North Carolina limited liability company;
AMEDISYS NORTH DAKOTA, L.L.C.,
a North Dakota limited liability company;
AMEDISYS NORTHWEST, L.L.C.,
a Georgia limited liability company;
AMEDISYS OHIO, L.L.C.,
an Ohio limited liability company;
AMEDISYS OKLAHOMA, L.L.C.,
an Oklahoma limited liability company;
AMEDISYS OREGON, L.L.C.,
an Oregon limited liability company;
AMEDISYS PENNSYLVANIA, L.L.C.,
a Pennsylvania limited liability company;
AMEDISYS PROPERTY, L.L.C.,
a Louisiana limited liability company;
AMEDISYS PUERTO RICO, L.L.C.,
a Puerto Rican limited liability company;
AMEDISYS QUALITY OKLAHOMA, L.L.C.,
an Oklahoma limited liability company;
AMEDISYS RHODE ISLAND, L.L.C.,
a Rhode Island limited liability company;
AMEDISYS SC, L.L.C.,
a South Carolina limited liability company;
AMEDISYS SOUTH DAKOTA, L.L.C.,
a South Dakota limited liability company;
AMEDISYS SOUTH FLORIDA, L.L.C.,
a Florida limited liability company;
AMEDISYS SPECIALIZED MEDICAL SERVICES, L.L.C.,
a Louisiana limited liability company;
AMEDISYS SP-IN, L.L.C.,
an Indiana limited liability company;

AMEDISYS SP-KY, L.L.C.,
a Kentucky limited liability company;
AMEDISYS SP-OH, L.L.C.,
an Ohio limited liability company;
AMEDISYS SP-TN, L.L.C.,
a Tennessee limited liability company;
AMEDISYS TENNESSEE, L.L.C.,
a Tennessee limited liability company;
AMEDISYS TEXAS, L.L.C.,
a Texas limited liability company;
AMEDISYS TLC, ACQUISITION, L.L.C.,
a Louisiana limited liability company;
AMEDISYS UTAH, L.L.C.,
a Utah limited liability company;
AMEDISYS VENTURES, L.L.C.,
a Delaware limited liability company;
AMEDISYS VIRGINIA, L.L.C.,
a Virginia limited liability company;
AMEDISYS WASHINGTON, L.L.C.,
a Washington limited liability company;
AMEDISYS WESTERN, L.L.C.,
a Delaware limited liability company;
AMEDISYS WEST VIRGINIA, L.L.C.,
a West Virginia limited liability company;
AMEDISYS WISCONSIN, L.L.C.,
a Wisconsin limited liability company;
AMEDISYS WYOMING, L.L.C.,
a Wyoming limited liability company;
ANMC VENTURES, L.L.C.,
a Louisiana limited liability company;
AVENIR VENTURES, L.L.C.,
a Louisiana limited liability company;
BEACON HOSPICE, L.L.C.,
a Delaware limited liability company;
BROOKSIDE HOME HEALTH, LLC,
a Virginia limited liability company;
COMPREHENSIVE HOME HEALTHCARE SERVICES, L.L.C.,
a Tennessee limited liability company;
EMERALD CARE, L.L.C.,
a North Carolina limited liability company;
FAMILY HOME HEALTH CARE, L.L.C.,
a Kentucky limited liability company;

HHC, L.L.C.,
a Tennessee limited liability company;
HOME HEALTH OF ALEXANDRIA, L.L.C.,
a Louisiana limited liability company;
HORIZONS HOSPICE CARE, L.L.C.,
an Alabama limited liability company;
HOUSECALL, L.L.C.,
a Tennessee limited liability company;
HOUSECALL HOME HEALTH, L.L.C.,
a Tennessee limited liability company;
HOUSECALL MEDICAL RESOURCES, L.L.C.,
a Delaware limited liability company;
HOUSECALL MEDICAL SERVICES, L.L.C.,
a Tennessee limited liability company;
HOUSECALL SUPPORTIVE SERVICES, L.L.C.,
a Florida limited liability company;
MC VENTURES, LLC,
a Mississippi limited liability company;
M.M. ACCUMED VENTURES, L.L.C.,
a Texas limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES INTERNATIONAL, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES MIDWEST, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF BROWARD, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF DADE, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF ERIE NIAGARA, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF FLORIDA, LLC,
a Delaware limited liability company;

TENDER LOVING CARE HEALTH CARE SERVICES OF GEORGIA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF ILLINOIS, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF LONG ISLAND, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF MICHIGAN, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF NASSAU SUFFOLK, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF NEW ENGLAND, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF PA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF WEST VIRGINIA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF WESTERN NEW YORK, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES SOUTHEAST, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES WESTERN, LLC,
a Delaware limited liability company;
TLC HOLDINGS I, L.L.C.,
a Delaware limited liability company;
TLC HEALTH CARE SERVICES, L.L.C.,
a Delaware limited liability company;
ACCUMED HEALTH SERVICES, L.P.,
a Texas limited partnership
By: ACCUMED GENPAR, L.L.C., its general partner;
NINE PALMS 1, LP,
a Virginia limited partnership,
By: BROOKSIDE HOME HEALTH, LLC, its general partner; and

NINE PALMS 2, LLP,
a Mississippi limited liability partnership
By: MC VENTURES, LLC, its general partner

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
Vice President

ADMINISTRATIVE AGENT:
JPMORGAN CHASE BANK, N.A.,
Not in its individual capacity but solely as
Administrative Agent

By: /s/ John Kushnerick
Name: John Kushnerick
Title Vice President

AGENT AND LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ John Kushnerick
Name: John Kushnerick
Title Vice President

LENDER:

BANK OF AMERICA, N.A.

By: /s/ James P. Harbeson
Name: James P. Harbeson
Title Vice President

LENDER:

FIFTH THIRD BANK

By: /s/ Joshua N. Livingston
Name: Joshua N. Livingston
Title Duly Authorized Signatory

LENDER:

COMPASS BANK

By: /s/ Latrice Tubbs
Name: Latrice Tubbs
Title Vice President

LENDER:

BOKF, NA dba BANK OF TEXAS

By: /s/ Gary K. Whitt
Name: Gary K. Whitt
Title Senior Vice President

LENDER:

RBS CITIZENS, N.A.

By: /s/ Cheryl Carangelo
Name: Cheryl Carangelo
Title Senior Vice President

LENDER:

UNION BANK, N.A.

By: /s/ Michael Tschida
Name: Michael Tschida
Title Vice President

LENDER:

REGIONS BANK

By: /s/ Peter Little
Name: Peter Little
Title Vice President

LENDER:

RAYMOND JAMES BANK, N.A.

By: /s/ Alexander L. Rody
Name: Alexander L. Rody
Title Senior Vice President

EXHIBIT I

FORM OF JOINDER AGREEMENT

JOINDER TO SECURITY AND PLEDGE AGREEMENT

THIS JOINDER TO SECURITY AND PLEDGE AGREEMENT (this "Joinder") dated as of _____, 201_, is executed by _____, a _____ (the "New Debtor") in favor of the Secured Parties (as hereinafter defined) and JPMorgan Chase Bank, N.A., not in its individual capacity, but solely as collateral agent for the Lenders and the other Secured Parties (as such terms are defined herein) (in such capacity, together with its successors in such capacity, the "Administrative Agent").

WHEREAS, Amedisys Holding, L.L.C. (the "Co-Borrower"), Amedisys, Inc. (together with the Co-Borrower, the "Borrowers"), the lenders party thereto (the "Lenders") and the Administrative Agent are parties to that certain Credit Agreement dated as of October 26, 2012 (as the same has been or may be amended, modified or supplemented from time to time, the "Credit Agreement");

WHEREAS, the Borrowers and certain of their Subsidiaries are parties to that certain Security and Pledge Agreement dated November 11, 2013 (as the same has been or may be amended, modified or supplemented from time to time, the "Security Agreement");

WHEREAS, pursuant to Section 6.10(b) of the Credit Agreement, the New Debtor is required to become a party to the Security Agreement as a "Debtor"; and

WHEREAS, the New Debtor has agreed to execute and deliver this Joinder in order to become a party to the Security Agreement as a "Debtor";

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the New Debtor hereby agrees as follows:

1. Capitalized Terms. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Security Agreement.

2. Joinder to Security Agreement. By executing and delivering this Joinder, the New Debtor hereby (a) becomes a party to the Security Agreement as a Debtor as if the New Debtor had originally signed the Security Agreement and (b) expressly assumes all obligations and liabilities of a Debtor thereunder. The New Debtor hereby makes as of the date hereof each of the representations and warranties made by the Debtors in the Security Agreement; provided that (i) any such representations and warranties that were made by the other Debtors as of an earlier specific date are (A) deemed to be made by the New Debtor as of the date hereof rather than as of such earlier date and (B) deemed to be made by the New Debtor only as to information, disclosures and matters as it relates to such New Debtor, and (ii) any such representations and warranties made as to matters disclosed or set forth in an Annex to the Security Agreement are deemed to be made as to the corresponding Annex attached hereto.

3. Security Interest. As security for the Secured Obligations, the New Debtor hereby grants to the Administrative Agent, for the benefit of the Secured Parties, to the maximum extent allowed by applicable law, a lien and security interest on all of the assets of the New Debtor described as Collateral in the Security Agreement, subject to the exclusions contained in the Security Agreement, whether now held or hereafter acquired, of any kind, pursuant to, and in accordance with the terms of the Security Agreement.

4. Authorization to Take Further Action. The New Debtor hereby authorizes the Administrative Agent to file such financing statements and any amendments and extensions thereof as may be necessary or desirable in order to perfect the Liens under the Security Agreement or any modification, extension or ratification thereof.

5. Warranties. The New Debtor (a) represents and warrants that it is legally authorized to enter into this Joinder and (b) confirms that it has received copies of the Security Agreement and other Loan Documents, and that on the basis of its review and analysis of such information has decided to enter into this Joinder.

6. Updated Information. Concurrently with this Joinder, the New Debtor is delivering a completed New Debtor Information List, attached as Attachment A hereto. The New Debtor acknowledges and agrees that Annexes 1 thorough 15, inclusive, of the Security Agreement, have been updated with respect to the New Debtor only by the information contained in Attachment A hereto, and, with respect to the New Debtor only, are true, accurate and complete representations of the information described and referenced in the corresponding sections of the Security Agreement, after giving effect to this Joinder.

7. Choice of Law. This Joinder shall be governed by and construed under the laws of the State of New York.

[Signature page follows]

IN WITNESS WHEREOF, the New Debtor has executed this Joinder and agreed to the provisions contained herein effective as of _____, 201_.

NEW DEBTOR:

_____,
a _____

By: _____
Name: _____
Title:

ATTACHMENT A
ADDITIONAL INFORMATION REGARDING THE NEW DEBTOR

The following Annexes as described in the Security Agreement:

Annex 1	Intellectual Property Licenses
Annex 2	Patent Collateral
Annex 3	Securities Collateral
Annex 4	Trademark Collateral
Annex 5	Filing Offices
Annex 6	Debtor Information
Annex 7	Previous Names and Transactions
Annex 8	Offices and Locations of Records
Annex 9	Locations of Inventory and Equipment
Annex 10	Deposit Accounts
Annex 11	Securities Accounts and Commodity Accounts
Annex 12	Instruments and Tangible Chattel Paper
Annex 13	Electronic Chattel Paper
Annex 14	Letters of Credit
Annex 15	Commercial Tort Claims

ANNEX I

PART A

Loan Party	Lien
Amedisys South Florida, L.L.C.	Judgment Lien in favor of State of Florida, Department of Revenue, filed 1/30/2013
Housecall Supportive Services, L.L.C.	Judgment Lien in favor of State of Florida, Department of Revenue, filed 12/19/12
Housecall Supportive Services, L.L.C.	Judgment Lien in favor of State of Florida, Department of Revenue, filed 3/6/2013

PART B

Loan Party	Secretary of State
Amedisys Holding, L.L.C.	Tennessee
Comprehensive Home Healthcare Services, L.L.C.	Tennessee
HHC, L.L.C.	Tennessee
Housecall, L.L.C.	Tennessee

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Section 5: EX-10.2 (EX-10.2)

Exhibit 10.2

SECURITY AND PLEDGE AGREEMENT

dated as of

November 11, 2013,

among

AMEDISYS, INC.,

AMEDISYS HOLDING, L.L.C.,

THE GUARANTORS PARTY HERETO,

and

JPMORGAN CHASE BANK, N.A.,
not in its individual capacity, but solely as Administrative Agent

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THIS SECURITY AND PLEDGE AGREEMENT (this "Agreement") dated as of November 11, 2013, is among AMEDISYS HOLDING, L.L.C. ("Co-Borrower"), AMEDISYS, INC. (the "Lead Borrower", together with the Co-Borrower, the "Borrowers"), the Guarantors party hereto (together with the Borrowers, the "Debtors"), and JPMORGAN CHASE BANK, N.A., not in its individual capacity, but solely as collateral agent for the Lenders and the other Secured Parties (as such terms are defined herein) (in such capacity, together with its successors in such capacity, the "Administrative Agent").

RECITALS:

A. Pursuant to the Credit Agreement dated as of October 26, 2012 (as amended, modified and supplemented from time to time, the "Credit Agreement"), among the Borrowers, the lenders from time to time party thereto (the "Lenders") and the Administrative Agent, the Lenders agreed to make loans to and other extensions of credit on behalf of the Borrowers.

B. As of even date herewith, the Borrowers, the Lenders party thereto and the Administrative Agent are entering into that certain Second Amendment to the Credit Agreement (the "Second Amendment"), pursuant to which the Borrowers, the Lenders party thereto and the Administrative Agent have agreed to make certain amendments to the Credit Agreement, as more particularly set forth therein.

C. It is a condition to the effectiveness of the Second Amendment and the obligations of the Lenders under the Credit Agreement that the Debtors shall have granted Liens (as defined in the Credit Agreement) securing the Obligations (as defined in the Credit Agreement) and executed and delivered, and granted the Liens provided for in, this Agreement.

D. To induce the Lenders to enter into the Second Amendment and to continue to make loans and/or extend other credit to the Borrowers, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtors have agreed to grant security interests in the Collateral (as hereinafter defined) as security for the Secured Obligations (as hereinafter defined).

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.01 Definitions. Capitalized terms not otherwise defined herein have the respective meanings assigned to them in the Credit Agreement. All terms used herein that are not defined herein or in the Credit Agreement and are defined in the UCC have the meanings therein stated. In addition, the following terms have the following meanings under this Agreement:

"Accounts" means all accounts (as defined in the UCC) and all general intangibles (including payment intangibles and software) (as defined in the UCC) of any Debtor constituting any right to the payment of money, whether or not earned by performance, including all moneys due and to become due to any Debtor in respect of any loans or advances or for Inventory or

Equipment or other goods sold or leased or for services rendered, tax refunds, insurance refund claims and other insurance claims and proceeds, tort claims, securities and other investment property, rights to proceeds of letters of credit, letter-of-credit rights, supporting obligations of every nature and any guarantee of any of the foregoing.

"Administrative Agent" has the meaning set forth in the introductory paragraph to this Agreement.

"Agreement" has the meaning set forth in the introductory paragraph to this Agreement.

"Borrowers" has the meaning set forth in the introductory paragraph to this Agreement.

"Collateral" has the meaning assigned to such term in Section 2.01.

"Contracts" means, collectively, with respect to each Debtor, all sale, service, performance, equipment or property lease contracts, agreements and grants and all other contracts, agreements or grants (in each case, whether written or oral, or third party or intercompany), between such Debtor and third parties, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

"Control" means (i) in the case of each Deposit Account, "control," as such term is defined in Section 9.104 of the UCC, (ii) in the case of any certificated security, uncertificated security or security entitlement, "control," as such term is defined in Section 8.106 of the UCC and (iii) in the case of any commodity contract, "control," as such term is defined in Section 9.106 of the UCC.

"Credit Agreement" has the meaning set forth in Recital A.

"Deposit Account Control Agreement" means a deposit account control agreement in form and substance reasonably satisfactory to the Administrative Agent.

"Deposit Accounts" means, collectively, with respect to each Debtor, (i) all "deposit accounts" as such term is defined in the UCC and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts described in clause (i) of this definition.

"Documents" means all "documents" (as defined in the UCC) or other receipts covering, evidencing or representing Inventory or Equipment.

"Equipment" means, with respect to each Debtor, all "equipment" (as defined in the UCC) and all other goods of such Debtor that are used or acquired for use in its business, including all spare parts and related supplies, all goods obtained by such Debtor in exchange for any such goods, all substances, if any, commingled with or added to those goods and all upgrades and other improvements to those goods, in each case to the extent not constituting Inventory.

"General Intangibles" means all "general intangibles" (as defined in the UCC) now owned or hereafter acquired by any Debtor, including (i) all obligations or indebtedness owing to

any Debtor (other than Accounts) from whatever source arising, (ii) all Intellectual Property and goodwill, (iii) all Governmental Authorizations, (iv) all rights or claims in respect of refunds for taxes paid, (v) all Contracts and (vi) to the extent permitted by applicable law, all rights in respect of any pension plan or similar arrangement maintained for employees of any Debtor.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d *et set.*), as the same may be amended, modified or supplemented from time to time, any successor statute thereto, any and all rules or regulations promulgated from time to time thereunder, and any comparable state laws.

"Instruments" means all "instruments", "chattel paper" (whether tangible or electronic) or "letters of credit" (each as defined in the UCC) of any Debtor evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any Account, including promissory notes, drafts, bills of exchange and trade acceptances now owned or hereafter acquired and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any of the Instruments.

"Intellectual Property" means all Patent Collateral and all Trademark Collateral, together with (a) all inventions, processes, production methods, proprietary information, know-how and trade secrets; (b) all licenses or user or other agreements granted to any Debtor with respect to any of the items listed in clause (a) above, in each case whether now or hereafter owned or used, including the licenses and user or other agreements listed in Annex 1; (c) all information, customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs; (d) all field repair data, sales data and other information relating to sales or service of products now or hereafter manufactured; (e) all accounting information and all media in which or on which any information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; and (f) all causes of action, claims and warranties now or hereafter owned or acquired by any Debtor in respect of any of the items listed above.

"Inventory" means all inventory (as defined in the UCC) and all other goods of any Debtor held for sale, lease or furnishing under a contract of service (including to its Subsidiaries or Affiliates) or that constitute raw materials, work in process or material used or consumed in its business, including all spare parts and related supplies, all goods obtained by any Debtor in exchange for such goods, all products made or processed from such goods and all substances, if any, commingled therewith or added to such goods;

"Investment Property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract or commodity account (in each case, as defined in the UCC), excluding, however, the Securities Collateral.

"Patent Collateral" means all Patents now owned or hereafter acquired by any Debtor, including each Patent Collateral identified in Annex 2.

"Patents" means, collectively, (i) all patents and patent applications, including the inventions and improvements described and claimed therein, and all patentable inventions, (ii) all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and (iii) all rights, licenses and goodwill, now existing or hereafter coming into existence, (A) to all income, profits, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including damages and payments for past, present or future infringements thereof, (B) to sue for past, present and future infringements thereof, and (C) otherwise accruing under or pertaining to any of the foregoing throughout the world.

"Permitted Liens" means Liens permitted by the Credit Agreement.

"Proceeds" has the meaning assigned to such term in the UCC, including all proceeds of insurance and all condemnation awards and all other compensation for any casualty event with respect to all or any part of the Collateral (together with all rights to recover and proceed with respect to the same), and all accessions to, substitutions for and replacements of all or any part of the other Collateral.

"Records" has the meaning assigned to such term in Section 4.05.

"Secured Obligations" means all Obligations now or hereafter existing, including any extensions, modifications, substitutions, amendments and renewals thereof, whether for principal, interest, fees, expenses, indemnification, or otherwise, including all costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Administrative Agent or any Secured Party in connection with any suit or proceeding in connection with the performance by such Secured Party of any of the agreements contained in any of the Contracts, or in connection with any exercise of its rights or remedies hereunder, pursuant to the terms of this Agreement.

"Secured Parties" means, collectively, (a) the Administrative Agent, (b) the Lenders, (c) the Issuing Lender, (d) the Swingline Lender and (e) each other Person to whom any of the Secured Obligations are owed.

"Securities Collateral" means the Capital Stock now owned or hereafter acquired by any Debtor (whether such Capital Stock constitutes securities or general intangibles under the UCC) including the Capital Stock identified on Annex 3 hereto and any Capital Stock subsequently pledged to the Secured Party pursuant to any Joinder Agreement, and the certificates or other instruments representing any of the foregoing and any interest of a Debtor in the entries on the books of any securities intermediary pertaining thereto (the "Pledged Shares"), and all dividends, distributions, returns of capital, cash, warrants, options, rights, instruments, rights to vote or manage the business of such Person pursuant to organizational documents governing the rights and obligations of the stockholders, partners, members or other owners thereof and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Pledged Shares.

"Security Interest" means the security interest in the Collateral granted by Debtors under this Agreement.

"Trademark Collateral" means all Trademarks now owned or hereafter acquired by any Debtor including each Trademark Collateral identified in Annex 4.

"Trademarks" means, collectively, (i) all trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations, (ii) all renewals of trademark and service mark registrations, and (iii) all rights, licenses and goodwill, now existing or hereafter coming into existence, (A) to all income, royalties, damages and other payments (including in respect of all past, present and future infringements) with respect to any of the foregoing, (B) to sue for all past, present and future infringements thereof, and (C) otherwise accruing under or pertaining to any of the foregoing, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark.

"UCC" means the Uniform Commercial Code as now or hereafter adopted and in effect in the State of New York; provided that if, by reason of mandatory provisions of Law, the perfection or the effect of perfection or non-perfection of any Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or the effect of perfection or non-perfection.

1.02 Interpretation. The principles of interpretation set out in Section 1.2 of the Credit Agreement shall apply equally to this Agreement *mutatis mutandis*.

ARTICLE II

COLLATERAL

2.01 Grant of Security Interest. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) and performance of the Secured Obligations, each Debtor hereby grants to the Administrative Agent for the benefit of the Secured Parties a security interest in all of such Debtor's right, title and interest in, to and under the following property, whether now owned or hereafter acquired by such Debtor and whether now existing or hereafter coming into existence and wherever located (collectively, the "Collateral"):

(a) all Accounts;

(b) all Deposit Accounts;

(c) all Documents;

(d) all Equipment;

(e) all General Intangibles;

(f) all Governmental Authorizations;

(g) all Instruments;

(h) all Inventory;

(i) all Investment Property;

(j) all Securities Collateral;

(k) all rights, claims and benefits of such Debtor against any Person arising out of, relating to or in connection with Inventory or Equipment purchased by such Debtor, including any such rights, claims or benefits against any Person storing or transporting such Inventory or Equipment;

(l) all other tangible and intangible personal property and fixtures of such Debtor, including all cash, products, rents, revenues, issues, profits, royalties, income, benefits, commercial tort claims, letter-of-credit rights, supporting obligations, accessions to, substitutions and replacements for any and all of the foregoing, any indemnity, warranty or guarantee payable by any reason of loss or damage to or otherwise with respect to any of the foregoing, and all causes of action, claims and warranties now or hereafter held by such Debtor in respect of any of the items listed above;

(m) all books, correspondence, credit files, records, invoices and other papers, including all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Debtor or any computer bureau or service company from time to time acting for such Debtor;

(n) all Proceeds of the collateral described in the foregoing clauses (a) through (m).

Notwithstanding anything herein to the contrary, Debtors do not grant a security interest in, and the Collateral shall not include the rights or interests of any Debtor in, the following assets or property:

(i) any assets or property (including, without limitation, any Governmental Authorization or Contract to which such Debtor is a party or any of its rights or interests thereunder, or any Equipment or Intellectual Property) to the extent, but only to the extent, that (A) such a grant is prohibited by reason of (1) an applicable law or regulation to which such Debtor or such asset or property is subject or (2) an existing and enforceable negative pledge or anti-assignment provision (other than to the extent that any such term would be rendered ineffective pursuant to the UCC or any other applicable law or principles of equity), (B) the creation of a Lien therein could constitute a breach of the terms of any document affecting such asset or property or would cause a default or event of default under the terms of such document, or would permit any party to such document to terminate any right arising thereunder or to exercise any put, call, right of first refusal, preferential right to purchase, purchase option or other similar right, in each case that would permit any party thereto to terminate such document (except to the extent any such term would be rendered ineffective pursuant to the UCC or any other applicable law or principals of equity), or (C) such asset or property is now or hereafter subject to a Lien securing purchase money debt or capital leases to the extent that (1) such Lien and purchase money debt or capital lease are permitted under the Credit Agreement, and (2) the documents evidencing such purchase money debt or capital lease prohibits the

granting of a Lien in the property securing such purchase money debt or capital lease (except to the extent any such term would be rendered ineffective pursuant to the UCC or any other applicable law or principals of equity); provided that, with respect to (A), (B) and (C) above, immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, and the applicable Debtor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect;

(ii) the Capital Stock of any Specified Entity and the Excluded Capital Stock identified on Annex 3; or

(iii) motor vehicles, tractors, trailers and other like property to which the title thereto is governed by a certificate of title or ownership.

2.02 Termination of Security Interests. This Agreement and the Security Interests shall terminate and all rights to the Collateral shall revert to the applicable Debtors when (i) all outstanding Secured Obligations shall have been paid in full, (ii) all Commitments under the Credit Agreement shall have expired or been terminated and (iii) all L/C Disbursements shall have been paid in full as provided in the Credit Agreement. Upon such termination, the Administrative Agent shall (at the written request and expense of the Borrowers) promptly cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the applicable Debtor and to be released and cancelled all licenses and rights referred to in Section 5.12(b)(i). The Administrative Agent shall also (at the written request and expense of the Borrowers) promptly execute and deliver to the Borrowers upon such termination such UCC termination statements and such other documentation as shall be reasonably requested by the Borrowers to effect the termination and release of the Security Interests on the Collateral.

2.03 Partial Release of Collateral or Debtor. Upon the disposition of any Collateral in accordance with the Credit Agreement or any other transaction permitted by the Credit Agreement, the Administrative Agent shall, upon the written request of (and at the sole cost and expense of) the Borrowers, promptly execute and deliver to the Borrowers such UCC termination statements and such other documentation as the Borrowers may reasonably request to the extent necessary to effect the termination and release of the Liens on such Collateral or the release of a Debtor, as applicable, in accordance with the Credit Agreement.

2.04 Security Interest Absolute. To the maximum extent permitted by applicable law, the rights and remedies of the Administrative Agent hereunder, the Liens created hereby, and the obligations of the Debtors under this Agreement are absolute, irrevocable and unconditional and will remain in full force and effect without regard to, and will not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever (other than termination pursuant to Section 2.02 or partial release pursuant to Section 2.03), including:

(a) any renewal, extension, amendment, or modification of, or addition or supplement to or deletion from, any of the Loan Documents or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof;

(b) any waiver of, consent to or departure from, extension, indulgence or other action or inaction under or in respect of any of the Secured Obligations, this Agreement, any other Loan Document or other instrument or agreement relating thereto, or any exercise or non-exercise of any right, remedy, power or privilege under or in respect of the Secured Obligations, this Agreement, any other Loan Document or any such other instrument or agreement relating thereto;

(c) any furnishing of any additional security for the Secured Obligations or any part thereof to the Administrative Agent or any other Person or any acceptance thereof by the Administrative Agent or any other Person or any substitution, sale, exchange, release, surrender or realization of or upon any such security by the Administrative Agent or any other Person or the failure to create, preserve, validate, perfect or protect any other Lien granted to, or purported to be granted to, or in favor of, the Administrative Agent or any other Secured Party;

(d) any invalidity, irregularity or unenforceability of all or any part of the Secured Obligations, any Loan Document or any other agreement or instrument relating thereto or any security therefor;

(e) the acceleration of the maturity of any of the Secured Obligations or any other modification of the time of payment thereof; or

(f) any other event or circumstance whatsoever that might otherwise constitute a legal or equitable discharge of a surety or a guarantor, it being the intent of this Section 2.04 that the obligations of the Debtors hereunder shall be absolute, irrevocable and unconditional under any and all circumstances.

2.05 Guarantors; New Subsidiaries. Upon the execution and delivery of a Joinder Agreement by a new Subsidiary pursuant to Section 6.10(b) of the Credit Agreement, such new Subsidiary shall constitute a "Guarantor" and a "Debtor" for all purposes hereunder with the same force and effect as if originally named as a Guarantor and Debtor herein. The execution and delivery of such Joinder Agreement shall not require the consent of any Debtor hereunder. The rights and obligations of each Debtor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor and Debtor as a party to this Agreement.

2.06 Limit of Liability. Notwithstanding the foregoing, the security interest granted by each Debtor hereunder shall be limited to the extent necessary so that its obligations hereunder would not be subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any applicable state law.

2.07 Reinstatement. This Agreement and the Liens created hereunder shall automatically be reinstated if and to the extent that for any reason any payment by or on behalf of any Debtor in respect of the Secured Obligations is rescinded or must otherwise be restored by

any holder of the Secured Obligations, whether as a result of any fraudulent conveyance, proceedings in bankruptcy or reorganization or otherwise. EACH DEBTOR SHALL DEFEND AND INDEMNIFY THE SECURED PARTY FROM AND AGAINST ANY CLAIM, DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE UNDER THIS SECTION 2.07 (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES) IN THE DEFENSE OF ANY SUCH ACTION OR SUIT, INCLUDING SUCH CLAIM, DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE ARISING AS A RESULT OF THE INDEMNIFIED SECURED PARTY'S OWN NEGLIGENCE OR STRICT LIABILITY **BUT EXCLUDING** SUCH CLAIM, DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE THAT IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNIFIED SECURED PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

ARTICLE III

PERFECTION OF SECURITY INTEREST

3.01 Perfection. Prior to or concurrently with the execution and delivery of this Agreement, Debtors shall:

(a) intentionally omitted;

(b) deliver to the Administrative Agent any and all certificates in any Debtor's physical possession evidencing Investment Property included in the Collateral or any Securities Collateral included in the Collateral, endorsed or accompanied by such instruments of assignment and transfer in such form and substance as the Administrative Agent may reasonably request;

(c) intentionally omitted;

(d) with respect to any uncertificated security included in the Collateral, cause the Security Interest to be recorded on the equityholder register or on the books of the issuer of such uncertificated security and cause such issuer to execute and deliver to the Administrative Agent an acknowledgement of the Security Interest pursuant to which the issuer agrees to comply with instructions originated by the Administrative Agent without further consent by such Debtor; and

(e) take all such other actions as shall be necessary or as the Administrative Agent may reasonably request to perfect and establish the priority (subject only to Permitted Liens) of the Security Interest.

Additionally, each Debtor hereby authorizes the Administrative Agent to prepare, execute, deliver, file and/or record any such financing statement (including any fixture filing), continuation statement, amendment or other document that may be necessary or desirable (in the reasonable judgment of the Administrative Agent): (i) to create, preserve, perfect or validate the Security Interest or establish the priority thereof (subject only to Permitted Liens); or (ii) to enable the Administrative Agent to exercise and enforce its rights hereunder with respect to such

Security Interest. Each Debtor hereby authorizes the Administrative Agent to file any financing statement describing the Collateral as "all assets" or "all of the Debtor's personal property", notwithstanding that such wording may be broader in scope than the Collateral described in this Agreement. The Debtors shall pay the costs of, or incidental to, any recording or filing of any such financing or continuation statement, amendment or other document or otherwise arising out of or in connection with the execution and delivery of this Agreement.

3.02 Perfection of Additional Collateral. Each Debtor shall:

(a) subject to Section 3.03, upon the acquisition after the date hereof by such Debtor of any Instrument, promptly deliver to the Administrative Agent all such Instruments, endorsed and/or accompanied by instruments of assignment and transfer in such form and substance as the Administrative Agent may reasonably request;

(b) upon the acquisition of any certificated securities representing Investment Property included in the Collateral or Securities Collateral included in the Collateral which are to be physically possessed by a Debtor, promptly deliver to the Administrative Agent all such certificated securities, endorsed or accompanied by instruments of transfer or assignment in such form and substance as the Administrative Agent may reasonably request;

(c) upon the acquisition of any uncertificated securities included in the Collateral, cause the Security Interest to be recorded on the equityholder register or the books of the issuer of such uncertificated securities and cause such issuer to execute and deliver to the Administrative Agent an acknowledgement of the Security Interest pursuant to which such issuer agrees to comply with instructions originated by the Administrative Agent without further consent by such Debtor;

(d) deliver to the Administrative Agent a Deposit Account Control Agreement with respect to any Deposit Account established after the date hereof and included in the Collateral, other than any Deposit Account maintained by the Administrative Agent, executed by the applicable Debtor and the financial institution maintaining such Deposit Account; and

(e) deliver to the Administrative Agent a securities account control agreement in form and substance reasonably satisfactory to the Administrative Agent with respect to any securities account or securities entitlement opened after the date hereof, executed by the applicable Debtor and the securities intermediary maintaining such securities account.

3.03 Instruments. So long as no Event of Default shall have occurred and be continuing, each Debtor may retain for collection in the ordinary course any Instruments received by it in the ordinary course of business, and the Administrative Agent shall, promptly upon request and at the expense of any Debtor, make appropriate arrangements for making any Instrument pledged by such Debtor and held by the Administrative Agent available to such Debtor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by the Administrative Agent, against trust receipt or like document).

3.04 Further Assurances. Each Debtor shall, from time to time, at its sole expense, promptly execute, deliver, file and record all further agreements, assignments, instruments, documents and certificates and take all further action that may be reasonably necessary or reasonably desirable, or that the Administrative Agent may reasonably request, in order to create, preserve, perfect, confirm or validate the Security Interest in the Collateral or to enable the Administrative Agent to obtain the full benefits of the Security Documents (including the delivery of possession of any Collateral that hereafter comes into existence or is acquired in the future by the Administrative Agent as pledgee for the benefit of the Secured Parties), or to enable the Administrative Agent to exercise and enforce any of its rights, powers and remedies thereunder with respect to any of such Collateral.

3.05 Use of Collateral. So long as no Event of Default shall have occurred and be continuing, except as otherwise provided herein or in the Credit Agreement, each Debtor shall be entitled to use and possess the Collateral and to exercise its rights, title and interest in all Contracts and Governmental Authorizations subject to the rights, remedies, powers and privileges of the Administrative Agent under Article VI and to such use, possession or exercise not otherwise constituting an Event of Default.

3.06 Certain Accounts. With respect to each Deposit Account and securities account listed on Schedule 3.06 hereto, the Debtors shall, within thirty (30) days after the date hereof, deliver to the Administrative Agent either (a) a Deposit Account Control Agreement or securities account control agreement, as applicable, covering such account, executed by the owner of such account and the financial institution with which such account is maintained or (b) evidence satisfactory to the Administrative Agent that such account has been closed and all funds or other property held in such account have been transferred to an account in which the Administrative Agent has a first priority perfected security interest.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Each Debtor represents and warrants to the Secured Parties as follows:

4.01 Security Documents. This Agreement is effective to create in favor of the Administrative Agent for the benefit of the Secured Parties a legal, valid and enforceable Lien on the Collateral and, when (i) financing statements and other filings in appropriate form are filed in the offices specified on Annex 5 and (ii) upon the taking of possession or Control by the Administrative Agent of the Collateral with respect to which a security interest may be perfected only by possession or Control (which possession or Control shall be given to the Administrative Agent to the extent possession or Control by the Administrative Agent is required by this Agreement), the Lien created by this Agreement shall constitute a fully perfected Lien on all right, title and interest of the Debtors in the Collateral, in each case subject to no Liens other than Permitted Liens.

4.02 Title. Each Debtor is the sole legal and beneficial owner of all Collateral in which it purports to grant a Lien pursuant to this Agreement, and such Collateral is free and clear of all Liens other than Permitted Liens and such Liens to be terminated after the date hereof

pursuant to the Second Amendment. The Security Interests have attached and upon the filing of the financing statements and delivery of Collateral which may be perfected only by possession or Control, will constitute, under the UCC, perfected security interests in all such Collateral prior to all other Liens (other than Permitted Liens). No currently effective financing statement or other instrument similar in effect is on file in any recording office covering all or any part of the Collateral, except such as may have been filed evidencing Permitted Liens and Liens to be terminated after the date hereof pursuant to the Second Amendment. No Person other than the Administrative Agent has Control or possession of all or any part of the Collateral except as permitted by the Credit Agreement or this Agreement.

4.03 Chief Executive Office; Legal Name; Jurisdiction of Organization. As of the date hereof, the exact legal name, type of organization, jurisdiction of organization, Federal Taxpayer Identification Number, organizational identification number and chief executive office of each Debtor is indicated next to its name in Annex 6.

4.04 Corporate Names; Prior Names and Transactions. Each Debtor has not, during the past five years, been known by or used any other corporate name or been a party to any merger or consolidation, or acquired all or substantially all of the assets of any Person, or acquired any of its property or assets out of the ordinary course of business, except as set forth in Annex 7.

4.05 Records. As of the date hereof, the principal place of business and chief executive office of each Debtor and the office where each Debtor keeps its books and records concerning the Collateral (hereinafter, collectively called the "Records") is located at the address set out on Annex 8.

4.06 Changes in Circumstances. Except as disclosed in writing to the Administrative Agent prior to the date hereof, Debtor has not, within the period of four months prior to the date hereof: (a) changed its location (as defined in Section 9-307 of the UCC); (b) changed its name; or (c) become a "new debtor" (as defined in Section 9-102(a)(56) of the UCC) with respect to a security agreement previously entered into by any other Person.

4.07 Inventory and Equipment. As of the date hereof, all Inventory and Equipment of the Debtors is located at one of the locations identified in Annex 9 under its name or in transit from one of such location to another, other than (a) such Inventory which is in-transit to the applicable purchaser thereof and (b) laptop computers, tablet computers and like Equipment in possession of the employees of the Debtors and used in the ordinary course of business.

4.08 Title to Capital Stock. As of the date hereof, the applicable Debtor identified on Annex 3 owns the Capital Stock listed as being owned by it in Annex 3 hereto, free and clear of any Lien other than Permitted Liens. All shares of capital stock identified in such Annex as being beneficially owned by each Debtor have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to any option to purchase or similar right of any Person except as permitted by the Credit Agreement. Except as permitted by the Credit Agreement, and with respect to the Excluded Capital Stock identified on Annex 3, each Debtor is not and will not become a party to or otherwise bound by any agreement, other than the Loan Documents, which restricts in any manner the rights of any present or future holder of any such Capital Stock with respect thereto.

4.09 Financing Statements and Other Filings; Maintenance of Perfected Security Interest. As of the date hereof, the only Article 9 UCC filings, registrations and recordings necessary and appropriate to create, preserve, protect, publish notice of and perfect the Security Interest are listed in Annex 5. All such filings, registrations and recordings have been delivered to the Administrative Agent in completed form for filing in each governmental, municipal or other office specified in Annex 5.

4.10 Deposit Accounts. As of the date hereof, no Debtor has opened or maintains any Deposit Accounts other than the accounts listed in Annex 10. Upon delivery of the Deposit Account Control Agreements as provided in Section 3.06, the Administrative Agent will have a perfected first priority security interest in each Deposit Account included in the Collateral and listed in Annex 10 by Control.

4.11 Investment Property. As of the date hereof, Debtor (i) has no Securities Accounts or Commodity Accounts other than those listed in Annex 11, and the Administrative Agent has a perfected first priority security interest in such Securities Accounts and Commodity Accounts as a result of filing the applicable UCC financing statements, in each case subject to Permitted Liens, and (ii) does not hold, own or have any interest in any Investment Property other than Investment Property maintained in Securities Accounts or Commodity Accounts listed in Annex 11.

4.12 Delivery of Certificated Securities Collateral. All certificates, agreements or instruments representing or evidencing the Securities Collateral in existence on the date hereof have been delivered to the Administrative Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank, and the Administrative Agent has a perfected first priority security interest therein.

4.13 Perfection of Uncertificated Securities Collateral. The Administrative Agent has a perfected first priority security interest in all uncertificated Securities Collateral pledged by it hereunder that is in existence on the date hereof.

4.14 Instruments and Tangible Chattel Paper. As of the date hereof, no principal amount payable under or in connection with any of the Collateral is evidenced by any Instrument or tangible chattel paper other than such Instruments and tangible chattel paper listed in Annex 12.

4.15 Electronic Chattel Paper and Transferable Records. As of the date hereof, no principal amount payable under or in connection with any of the Collateral is evidenced by any electronic chattel paper or any "transferable record" (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction) other than such electronic chattel paper and transferable records listed in Annex 13.

4.16 Letters of Credit. As of the date hereof, no Debtor is a beneficiary under any Letter of Credit issued in favor of such Debtor except as listed in Annex 14.

4.17 Commercial Tort Claims. As of the date hereof, no Debtor holds any commercial tort claims other than those listed in Annex 15.

ARTICLE V

COVENANTS

In furtherance of the grant of the Security Interests pursuant to Article II, each Debtor hereby agrees with the Administrative Agent as follows:

5.01 Access to Records; Patient Confidential Information. Each Debtor shall upon reasonable notice, at any time during normal business hours, permit representatives of the Administrative Agent to inspect and make copies of the Records, and to be present at such Debtor's place of business to receive copies of all communications and remittances relating to the Collateral, and forward to the Administrative Agent copies of any notices or communications received by such Debtor relevant to the Security Interest. Upon the occurrence and during the continuation of an Event of Default, at the Administrative Agent's request, each Debtor shall promptly deliver copies of any and all such Records to the Administrative Agent. Prior to any such inspection of Records by representatives of the Administrative Agent or any such delivery of Records to the Administrative Agent, if such Records contain confidential patient information, the maintenance of which is governed by the HIPAA Security and Privacy Requirements codified at 45 C.F.R. Parts 160 & 164, the Administrative Agent and/or its authorized representatives will execute and deliver to the Debtors a "HIPAA Business Associate Agreement" in form and substance reasonably satisfactory to the Debtors and the Administrative Agent. In connection with any such inspection of Records by representatives of the Administrative Agent or any such delivery of Records to the Administrative Agent, the Administrative Agent will, and will take commercially reasonable steps to cause its authorized representatives to, comply with all applicable laws regarding confidential patient information (including as set forth in HIPAA).

5.02 Other Financing Statements and Liens. Without the prior written consent of the Administrative Agent, each Debtor shall not file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Administrative Agent is not named as the sole secured party for the benefit of the Secured Parties except to the extent such filing or like instrument pertains to a Permitted Lien.

5.03 Reports. Each Debtor shall furnish to the Administrative Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Administrative Agent may reasonably request, all in reasonable detail; provided, however, absent the existence of an Event of Default, the Debtors shall only be required to deliver such information quarterly. Promptly upon request of the Administrative Agent, following receipt by the Administrative Agent of any reports pursuant to the preceding sentence, the Debtors shall deliver to the Administrative Agent revised Annexes 2 and 4 to include Trademark and Patents that becomes part of the Collateral under this Agreement.

5.04 Adverse Claims. Each Debtor shall defend, all at its own expense, such Debtor's title and the existence, perfection and first priority of the Administrative Agent's security interest in the Collateral against all adverse claims (other than Permitted Liens).

5.05 Certain Changes. In the event any Debtor changes its (i) name, identity, corporate structure or the jurisdiction under which it is organized, (ii) chief executive office or chief place of business or (iii) the locations where it keeps or holds any Collateral (except Inventory in transit from one such location to another) or any records relating thereto from the applicable locations described in Annexes 8 and 9 hereof, such Debtor shall give the Administrative Agent and its counsel notice thereof concurrently with delivery of the reports required in accordance with Section 5.03. Notwithstanding the foregoing, no Debtor will in any event change the location of any Collateral owned by it if such change would cause the Security Interest in such Collateral to lapse or cease to be perfected.

5.06 Intentionally Deleted.

5.07 Collateral Held by Others. If any of its Collateral is at any time in the possession or control of any warehouseman, bailee or agent, each Debtor shall notify such warehouseman, bailee or agent of the Security Interests and instruct it to hold all such Collateral for the Administrative Agent's account subject to the Administrative Agent's instructions (which shall permit such Collateral to be removed by such Debtor in the ordinary course of business until the Administrative Agent notifies such warehouseman, bailee or agent that an Event of Default has occurred and is continuing). Each Debtor shall use its commercially reasonable efforts to obtain a bailee letter and/or landlord lien waiver, as applicable, from all such bailees and landlords, as applicable, who from time to time have possession of Collateral in the ordinary course of such Debtor's business having an aggregate value in excess of $1,500,000. Notwithstanding the foregoing, the Debtors shall not be required to take any action under this Section 5.07 with respect to any Inventory in-transit to the applicable purchaser thereof.

5.08 Records. Each Debtor shall keep accurate Records and shall stamp or otherwise mark such Records in such manner as the Administrative Agent may reasonably request in order to reflect the Security Interests.

5.09 Collection of Accounts. Each Debtor shall use commercially reasonable efforts to cause to be collected from its account debtors, as and when due, any and all amounts owing under or on account of each of its Accounts (including Accounts that are delinquent, such Accounts to be collected in accordance with lawful collection procedures) and shall apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Accounts. The costs and expenses (including attorney's fees) of collection, whether incurred by a Debtor or the Administrative Agent, shall be borne by such Debtor.

5.10 Disposition of Collateral. No Debtor shall sell, lease, exchange, assign or otherwise dispose of, or grant any option with respect to, any of its Collateral except as permitted by the Credit Agreement.

5.11 Protection of Intellectual Property. Each Debtor shall timely pay all fees (including maintenance fees), file all documents or declarations (including applications,

applications for renewal, affidavits of use and affidavits of incontestability) and take all other action necessary to obtain, maintain and renew each Patent and Trademark included in the Collateral. Each Debtor shall notify the Administrative Agent at the end of each Fiscal Year if it knows that any application or registration relating to any Intellectual Property owned or licensed by it may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court) regarding such Debtor's ownership of such Intellectual Property, its right to register or patent the same, or its right to keep and maintain the same. If any Debtor's rights to any Intellectual Property are infringed, misappropriated or diluted by a third party, such Debtor shall notify the Administrative Agent at the end of such Fiscal Year in which Debtor learned of such infringement, misappropriation or dilution and shall take all actions as such Debtor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property. Notwithstanding the foregoing to the contrary, a Debtor may permit any Patent, Trademark or other Intellectual Property to lapse if such Debtor determines in its reasonable business judgment that such Patent, Trademark or other Intellectual Property is not used or useful in its business.

5.12 Special Provisions Relating to Certain Collateral.

(a) Contracts.

(i) Anything herein to the contrary notwithstanding, each Debtor shall remain liable to perform all of its duties and obligations under each of the Contracts included in the Collateral to the same extent as if this Agreement had not been executed. The exercise by the Administrative Agent or any other Secured Party of any of the rights and remedies hereunder shall not release any Debtor from any of its duties or obligations under the Contracts. Neither the Administrative Agent nor any other Secured Party shall have any duty, obligation or liability under such Contracts included in the Collateral or otherwise in respect of the Collateral by reason of this Agreement or be obligated to perform any of the obligations or duties of any Debtor under the Contracts or otherwise in respect of the Collateral or to take any action to collect or enforce any claim for payment or any other right assigned hereunder.

(ii) During the existence of an Event of Default, if Debtor fails to perform any agreement contained herein or in any of the Contracts, the Administrative Agent may (but shall not be obligated to) itself perform, or cause the performance of, such agreement, and the reasonable fees, costs and expenses of the Administrative Agent incurred in connection therewith shall be payable by or on behalf of Debtors and shall be Secured Obligations to the Administrative Agent.

(b) Intellectual Property.

(i) For the purpose of enabling the Administrative Agent to exercise rights and remedies under Article VI at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Debtor hereby grants to the Administrative Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to

any Debtor) to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired by such Debtor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof; provided, however, such license shall only be effective during the existence of an Event of Default.

(ii) Notwithstanding anything contained herein to the contrary, but subject to the provisions of Section 7.4 of the Credit Agreement, so long as no Event of Default shall have occurred and be continuing, each Debtor will be permitted to exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of or take other actions with respect to the Intellectual Property in the ordinary course of the business of such Debtor. In furtherance of the foregoing, unless an Event of Default shall have occurred and be continuing, the Administrative Agent shall, from time to time, upon the request of any Debtor, execute and deliver any instruments, certificates or other documents, in the form so requested, that such Debtor shall have certified are appropriate (in its judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to clause (i) immediately above as to any specific Intellectual Property). Further, upon satisfaction of the conditions to termination of this Agreement described in Section 2.02 or the release of any Intellectual Property pursuant to Section 2.03, the Administrative Agent shall grant back to Debtor the license granted pursuant to clause (i) immediately above. The exercise of rights and remedies under Article VI by the Administrative Agent shall not terminate the rights of the holders of any licenses or sublicenses theretofore granted by any Debtor in accordance with the first sentence of this clause (ii).

(c) Deposit Accounts. No Debtor shall hereafter establish and maintain any Deposit Account unless (i) the applicable Debtor shall have given the Administrative Agent 30 days' prior written notice of its intention to establish such new Deposit Account and (ii) if such Deposit Account is included in the Collateral, such financial institution and such Debtor shall have duly executed and delivered to the Administrative Agent a Deposit Account Control Agreement with respect to such Deposit Account. Notwithstanding the foregoing, no Debtor shall be required to give notice to the Administrative Agent of its intention to establish a Deposit Account with the Administrative Agent. No Debtor shall grant Control of any Deposit Account to any Person other than the Administrative Agent.

(d) Letters of Credit. If any Debtor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of such Debtor, such Debtor shall promptly notify the Administrative Agent thereof and such Debtor shall, at the request of the Administrative Agent, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Administrative Agent of the proceeds of any drawing under the letter of credit or (ii) arrange for the Administrative Agent to become the transferee beneficiary of such letter of credit, with the Administrative Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in the Credit Agreement.

(e) Commercial Tort Claims. If any Debtor shall at any time hold or acquire a commercial tort claim, such Debtor shall immediately notify the Administrative Agent in writing signed by such Debtor of the brief details thereof and grant to the Administrative Agent in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Administrative Agent.

(f) Securities Collateral.

(i) No Debtor shall take any action that would result in (A) the revocation of any election to treat any Securities Collateral as certificated securities, and (B) an election to treat as certificated securities any Securities Collateral that constitute uncertificated securities.

(ii) So long as Administrative Agent has not exercised remedies with respect to the Collateral under this Agreement or any other Loan Document upon the occurrence and during the continuation of an Event of Default, Debtors reserve the right to exercise all voting and other rights, title and interest with respect to the Collateral (except as limited by the Loan Documents) and to receive all income, gains, profits, dividends and other distributions from the Collateral whether non-cash dividends, cash, options, warrants, stock splits, reclassifications, rights, instruments or other investment property or other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such rights and interests (except as limited by the Loan Documents); provided that no vote shall be cast, right exercised or other action taken which would reasonably be expected to result in a Material Adverse Effect.

(iii) In furtherance of the right of the Administrative Agent to exercise voting rights following an Event of Default, each Debtor shall execute and deliver to the Administrative Agent a proxy in a form acceptable to the Administrative Agent with respect to each item of Securities Collateral owned by it. No Debtor shall grant a proxy that would conflict with any proxy granted to the Administrative Agent pursuant to the preceding sentence so long as the Security Interests remain in effect.

ARTICLE VI

REMEDIES

6.01 Events of Default, Etc. If any Event of Default shall have occurred and be continuing:

(a) the Administrative Agent shall have, and in its discretion may exercise, the rights and remedies with respect to this Agreement as more particularly provided herein or in the Credit Agreement;

(b) each Debtor shall, upon the reasonable request of the Administrative Agent, assemble Collateral owned by it (and not otherwise in the possession of the Administrative Agent) at such place or places, reasonably convenient to both the Administrative Agent and such Debtor, designated in such request;

(c) the Administrative Agent may (but shall not be obligated to), without notice to any Debtor and at such times as the Administrative Agent in its sole discretion may determine, exercise any or all of Debtors' rights in, to and under, or in any way connected to, the Collateral and the Administrative Agent shall otherwise have and may (but shall not be obligated to) exercise all of the rights, powers, privileges and remedies with respect to the Collateral of a secured party under the UCC (whether or not said UCC is in effect in the jurisdiction where the rights, powers, privileges and remedies are asserted) and such additional rights, powers, privileges and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights, powers, privileges and remedies hereunder may be asserted, including the right, to the maximum extent permitted by applicable law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Administrative Agent were the sole and absolute owner thereof (and the Debtors agree to take all such action as may be appropriate to give effect to such right);

(d) the Administrative Agent may (but shall not be obligated to) make any reasonable compromise or settlement it deems desirable with respect to any of the Collateral and may (but shall not be obligated to) extend the time of payment, arrange for payment in installments, or otherwise modify the terms, of all or any part of the Collateral;

(e) the Administrative Agent may (but shall not be obligated to), in its name or in the name of any Debtor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral;

(f) the Administrative Agent may (but shall not be obligated to) sell, lease, assign or dispose of all or any part of the Collateral which shall then be or shall thereafter come into the possession, custody or control of the Administrative Agent or any other Secured Party or any of their respective agents at such place or places as the Administrative Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof except such notice as is required by applicable law and cannot be waived. If, pursuant to applicable law, prior notice of sale of the Collateral under this Section is required to be given to any Debtor, each Debtor hereby acknowledges that the minimum time required by such applicable law, or if no minimum time is specified, 10 days, shall be deemed a reasonable notice period. The Administrative Agent or any other Secured Party or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the maximum extent permitted by applicable law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of Debtors, any such demand, notice and right or equity being hereby expressly waived and released to the maximum extent permitted by applicable law. The

Administrative Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned. The Collateral may be sold in one or more sales, at public or private sale, conducted by any officer or agent of, or auctioneer or attorney for, the Administrative Agent, at the Administrative Agent's place of business or elsewhere, for cash, upon credit or for other property, for immediate or future delivery, and at such price or prices and on such terms as the Administrative Agent shall deem appropriate in its reasonable discretion. The Administrative Agent may, in its reasonable discretion, at any such sale restrict the prospective bidders or purchasers as to their number, nature of business and investment intention to the extent necessary to comply with applicable law. Upon any public or private sale the Administrative Agent shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels. The Administrative Agent shall not be obligated to make any sale pursuant to any such notice. In case of any sale of all of any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by the Administrative Agent until the full selling price is paid by the purchaser thereof, but neither the Administrative Agent nor any Secured Party shall incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold, and, in case of any such failure, such Collateral may again be sold pursuant to the provisions hereof. All cash proceeds of any such sale, and any other realization upon all or any part of the Collateral may, in the sole discretion of the Administrative Agent, be held by the Administrative Agent as collateral for or applied then or at any time thereafter, in whole or in part, by the Administrative Agent for the benefit of the Secured Parties to the payment and satisfaction of the Secured Obligations in accordance with Section 6.04;

(g) upon request of the Administrative Agent, each Debtor shall promptly notify (and each Debtor hereby authorizes the Administrative Agent so to notify) each account debtor in respect of any Accounts or Instruments that such Collateral has been assigned to the Administrative Agent hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Administrative Agent;

(h) the Administrative Agent shall have the right to endorse, assign or otherwise transfer to or to register in the name of the Administrative Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the Security Interests hereunder. In addition, the Administrative Agent shall have the right at any time to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations;

(i) the Administrative Agent may vote or exercise any and all of the Debtors' rights or powers incident to their ownership of the Securities Collateral, including any rights or powers to manage or control the Guarantors;

(j) the Administrative Agent may cause any action at law or suit in equity or other proceeding to be instituted and prosecuted to enforce any rights vested in it by this

Agreement or by law or included in the Collateral, subject to the provisions and requirements hereof and thereof, or to aid in the exercise of any power herein or therein granted, or for any foreclosure hereunder and sale under a judgment or decree in any judicial proceeding;

(k) in connection with any acceleration and foreclosure, the Administrative Agent may lawfully and peacefully take possession of the Collateral and lawfully and peacefully render it usable and repair and renovate the same, without, however, any obligation to do so, and lawfully and peacefully enter upon any location where the Collateral may be located for that purpose, control, manage, operate, rent and lease the Collateral, collect all rents and income from the Collateral and apply the same to reimburse the Secured Parties for any cost or expenses incurred hereunder or under any of the Loan Documents and to the payment or performance of any Debtor's obligations hereunder or under any of the Loan Documents, and apply the balance to the other Secured Obligations and any remaining excess balance to whomsoever is legally entitled thereto;

(l) the Administrative Agent may secure the appointment of a receiver for the Collateral or any part thereof;

(m) the Administrative Agent may lawfully and peacefully occupy any premises owned or leased by any Debtor where the Collateral or any part thereof is assembled for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to any Debtor in respect of such occupation;

(n) the Administrative Agent may give instructions to the issuer of any Securities Collateral that is an uncertificated security with respect to such uncertificated security.

Each Debtor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Administrative Agent may be compelled, subject to the notice provision provided for in paragraph (f) of this Section 6.01, with respect to any sale of all or any part of the Collateral constituting a security (as such term is defined in the Securities Act of 1933), to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. Each Debtor acknowledges that any such private sale may be at prices and on terms less favorable to the Administrative Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Administrative Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit any Debtor or the issuer thereof to register it for public sale.

6.02 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral by virtue of the exercise of remedies under Section 6.01 are insufficient to cover the costs and expenses of such exercise and the payment in full of the Secured Obligations, the Administrative Agent shall retain all rights and remedies under the Loan Documents, and each Debtor shall remain liable, with respect to any deficiency.

6.03 Private Sale. The Administrative Agent and the other Secured Parties shall incur no liability as a result of the sale, lease or other disposition of all or any part of the Collateral, at any private sale pursuant to Section 6.01 conducted in a commercially reasonable manner. Subject to and without limitation of the preceding sentence, each Debtor hereby waives any claims against the Administrative Agent or any other Secured Party arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Administrative Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

6.04 Application of Proceeds. Except as otherwise herein expressly provided, the proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Administrative Agent under this Article VI, shall be applied by the Administrative Agent as follows:

First, to the payment of the costs and expenses of such exercise of remedies, including reasonable out-of-pocket costs and expenses of the Administrative Agent, the reasonable fees and expenses of its agents and counsel and all other reasonable expenses incurred and advances made by the Administrative Agent in that connection;

Second, to payment of that portion of the Secured Obligations constituting fees, indemnities and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such, the Issuing Lender in its capacity as such, and the Swingline Lender in its capacity as such, ratably among the Administrative Agent, the Issuing Lender and the Swingline Lender in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Secured Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Secured Obligations constituting accrued and unpaid interest on the Loans and L/C Disbursements, ratably among the Lenders in proportion to the respective amounts described in this clause Fourth payable to them;

Fifth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Loans and L/C Disbursements, ratably among the Lenders and the Issuing Lender in proportion to the respective amounts described in this clause Fifth held by them;

Sixth, to payment of that portion of the Secured Obligations constituting unpaid payment obligations under Specified Swap Agreements and Specified Cash Management Agreements, ratably among the Persons to whom such obligations are owed in proportion to the respective amounts described in this clause Sixth held by them;

Seventh, to the Administrative Agent for the account of the Issuing Lender to Cash Collateralize any L/C Obligations then outstanding; and

Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to the Borrowers or as otherwise required by applicable law.

6.05 Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Administrative Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default, each Debtor hereby appoints the Administrative Agent as the attorney-in-fact of such Debtor for the purpose of carrying out the provisions of this Article VI and taking any action and executing any instruments that the Administrative Agent may deem necessary or desirable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Administrative Agent shall be entitled under this Article VI to make collections in respect of the Collateral, the Administrative Agent shall have the right and power

(a) to receive, endorse and collect all checks made payable to the order of any Debtor representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same;

(b) to file any claims or take any action or institute any proceedings in connection therewith which the Administrative Agent may deem to be necessary or advisable;

(c) to pay, settle or compromise all bills and claims which may be or become liens or security interests against any or all of the Collateral, or any part thereof, unless a bond or other security satisfactory to the Administrative Agent has been provided; and

(d) upon foreclosure, to do any and every act which any Debtor may do on its behalf with respect to the Collateral or any part thereof and to exercise any or all of such Debtor's rights and remedies under any or all of the Collateral;

provided, however, that the Administrative Agent shall not exercise any such rights except upon the occurrence and continuation of an Event of Default. This power of attorney is a power coupled with an interest and shall be irrevocable.

6.06 Expenses.

(a) Subject to Section 10.5 of the Credit Agreement, the Administrative Agent may incur, and Debtors shall pay to the Administrative Agent, all reasonable fees and out-of-pocket expenses (including reasonable fees and expenses for legal services) of, or incident to, the enforcement of any of the provisions of this Article VI, or exercise by experts, agents or attorneys selected by the Administrative Agent in good faith of any rights or privileges of Debtors in respect of the Collateral, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Administrative Agent and the other Secured Parties in respect thereof, by

litigation or otherwise, and all such fees and expenses and, to the extent such amounts are not timely paid, together with interest thereon at the applicable rate provided for in Section 2.14 of the Credit Agreement, shall be Secured Obligations of the Administrative Agent secured under Article II. All amounts payable by the Debtors under this Section 6.06(a) shall be payable within ten (10) Business Days of demand thereof.

(b) The terms, conditions, covenants and agreements to be observed or performed by each Debtor under this Agreement shall be observed or performed by it at its sole cost and expense.

6.07 Administrative Agent's Right to Perform on Debtor's Behalf. If any Debtor fails to perform any of its obligations under this Agreement, the Administrative Agent may (but shall not be obligated to), upon reasonable notice to such Debtor, unless such Debtor is diligently pursuing a cure for such failure that cannot be obtained more quickly by the Administrative Agent's performance as specified herein, itself perform or cause to be performed such obligations at the expense of such Debtor, either in its name or in the name and on behalf of such Debtor.

6.08 Custody and Preservation. The Administrative Agent's obligation to use reasonable care in the custody and preservation of Collateral shall be satisfied if it uses the same care as it uses in the custody and preservation of its own property.

6.09 Preservation of Rights. Neither the Administrative Agent nor any Secured Party shall be required to take any steps to preserve any rights against prior parties to any of the Collateral.

6.10 Rights of Secured Parties. The Administrative Agent or any other Secured Party may (but shall not be obligated to) pay or secure payment of any Tax or other claim that may be secured by or result in a Lien on any Collateral other than a Permitted Lien. The Administrative Agent or any other Secured Party may (but shall not be obligated to) do any other thing that it in good faith believes is necessary or desirable to preserve, protect or maintain the Collateral or, after an Event of Default, to enhance its value. Debtors shall immediately reimburse the Administrative Agent or any other Secured Party for any reasonable payment or expense (including reasonable attorneys' fees and expenses) that the Administrative Agent or such other Secured Party may incur pursuant to this Section 6.10.

6.11 No Marshalling. Neither the Administrative Agent nor any Secured Party shall be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order.

6.12 Remedies Cumulative. No right, power or remedy herein conferred upon or reserved to the Administrative Agent or any other Secured Party is intended to be exclusive of any other right, power or remedy, and every such right, power and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right, power and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder or otherwise shall not prevent the concurrent

assertion or employment of any other appropriate right or remedy. Resort to any or all security now or hereafter held by the Administrative Agent may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken nonjudicial proceedings, or both.

ARTICLE VII

MISCELLANEOUS

7.01 Waivers of Rights Inhibiting Enforcement. Each Debtor waives, for itself and all who may claim under it, to the maximum extent permitted by applicable law:

(a) any claim that, as to any part of the Collateral, a public sale, should the Administrative Agent elect so to proceed, is, in and of itself, not a commercially reasonable method of sale for the Collateral;

(b) the right to assert in any action or proceeding between it and the Administrative Agent any offsets or counterclaims that it may have;

(c) except as otherwise provided in this Agreement, NOTICE OR JUDICIAL HEARING IN CONNECTION WITH THE ADMINISTRATIVE AGENT'S TAKING POSSESSION OR DISPOSITION OF ANY OF THE COLLATERAL DURING THE EXISTENCE OF AN EVENT OF DEFAULT INCLUDING ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT THAT ANY DEBTOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, AND ALL OTHER REQUIREMENTS AS TO THE TIME, PLACE AND TERMS OF SALE OR OTHER REQUIREMENTS WITH RESPECT TO THE ENFORCEMENT OF THE ADMINISTRATIVE AGENT'S RIGHTS HEREUNDER;

(d) all rights of redemption, appraisement, valuation, stay, extension or moratorium; and

(e) the right to invoke any law requiring marshalling of collateral and all other rights the exercise of which would, directly or indirectly, prevent, delay or inhibit the enforcement of any of the rights or remedies of the Administrative Agent and the other Secured Parties under this Agreement or the absolute sale of the Collateral, now or hereafter in force under any applicable law.

7.02 Notices. The Administrative Agent or any Debtor shall give any notice, request, demand or other communication (a "Notice") pursuant to this Agreement in accordance with Section 10.2 of the Credit Agreement. Any Notice to the Debtor shall be sent to the address of the Borrowers set forth in the Credit Agreement or to such other address provided by such Debtor to the Administrative Agent in writing. Any Notice sent as hereinabove provided shall be deemed delivered upon receipt or refusal of delivery.

7.03 Assignment. Except as permitted by the Credit Agreement, no Debtor may assign any of its rights or delegate any performance under this Agreement (whether

voluntarily or involuntarily, by merger, consolidation, dissolution, operation of law or any other manner) except with the prior written consent of the Administrative Agent, which consent may be withheld in the Administrative Agent's sole discretion. Any purported assignment without such consent is void. When any Lender assigns or otherwise transfers any interest held by it under the Credit Agreement or other Loan Document to any other Person pursuant to the terms of the Credit Agreement or such other Loan Document, that other Person shall thereupon become vested with all the benefits held by such Lender under this Agreement.

7.04 Successors and Assigns. This Agreement binds the Debtors and their respective successors and assigns and inures to the benefit of the Administrative Agent, the other Secured Parties and their respective successors and assigns.

7.05 Amendment and Waiver. No amendment or waiver of any provision of this Agreement, nor consent to any departure by any Debtor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent and the Debtors; provided that any amendment, waiver or consent shall be signed by the Required Lenders or all of the Lenders to the extent required by Section 10.1 of the Credit Agreement. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

7.06 No Implied Waiver. No failure or delay in exercising any right, power or privilege or requiring the satisfaction of any condition hereunder, and no course of dealing between the Debtors and the Administrative Agent operates as a waiver or estoppel of any right, remedy or condition. No single or partial exercise of any right or remedy under this Agreement precludes any simultaneous or subsequent exercise of any other right, power or privilege. The rights and remedies set forth in this Agreement are not exclusive of, but are cumulative to, any rights or remedies now or subsequently existing at law, in equity or by statute.

7.07 Severability. In case one or more provisions of this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality, and enforceability of the remaining provisions contained herein or therein shall not be affected or impaired thereby.

7.08 Entire Agreement. This Agreement and the other Loan Documents contain the entire agreement between the parties relating to the subject matter hereof and supersede all prior or contemporaneous oral or written negotiations and agreements relating to the subject matter hereof. The provisions of this Agreement may not be explained, supplemented or qualified through evidence or trade usage or a prior course of dealing. In entering into this Agreement, the Debtors have not relied upon any statement, representation, warranty or agreement of the Administrative Agent except as set forth in the Loan Documents.

7.09 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

7.10 Governing Law. The laws of the State of New York (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement and all of the transactions it contemplates, including without limitation its validity, interpretation, construction, performance (including the details of performance) and enforcement, except to the extent that the validity or perfection of the security interests hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of New York.

7.11 Headings. The descriptive headings of the articles, sections and subsections of this Agreement are for convenience only and do not constitute a part of this Agreement.

7.12 Interpretation. This Agreement has been reviewed and negotiated by counsel for both the Debtors and the Administrative Agent and, consequently, this Agreement shall not be construed against the drafter.

7.13 Waiver of Jury Trial. THE DEBTORS AND THE ADMINISTRATIVE AGENT HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

7.14 Survival, Etc. The provisions of Sections 2.07, 6.03, 6.06, 6.08, 6.09, 6.10, 7.01, 7.16, 7.17 and 7.19 shall survive the termination of this Agreement. In addition, the representations, warranties and covenants of the Debtors set out in this Agreement or contained in any documents delivered to the Administrative Agent or any other Secured Party pursuant to this Agreement shall survive the execution and delivery of this Agreement.

7.15 Agents, Etc. The Administrative Agent may employ agents, experts and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents, experts or attorneys-in-fact selected by it in good faith.

7.16 Limitation of Liability. NEITHER THE ADMINISTRATIVE AGENT NOR ANY SECURED PARTY SHALL HAVE LIABILITY WITH RESPECT TO, AND DEBTORS HEREBY WAIVE, RELEASE AND AGREE NOT TO SUE FOR:

(a) ANY LOSS OR DAMAGE SUSTAINED BY ANY DEBTOR, OR ANY LOSS, DAMAGE, DEPRECIATION OR OTHER DIMINUTION IN THE VALUE OF ANY COLLATERAL, THAT MAY OCCUR AS A RESULT OF, IN CONNECTION WITH, OR THAT IS IN ANY WAY RELATED TO, ANY EXERCISE OF ANY RIGHT OR REMEDY UNDER THIS AGREEMENT EXCEPT FOR ANY SUCH LOSS, DAMAGE, DEPRECIATION OR DIMINUTION TO THE EXTENT THAT THE SAME IS THE RESULT OF ACTS OR OMISSIONS ON THE PART OF SUCH SECURED PARTY CONSTITUTING WILLFUL MISCONDUCT OR GROSS NEGLIGENCE (AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION); OR

(b) ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES SUFFERED BY ANY DEBTOR IN CONNECTION WITH ANY CLAIM RELATED TO THIS AGREEMENT.

7.17 Subrogation. Each Debtor shall not exercise, and hereby irrevocably waives, any claim, right or remedy that it may now have or may hereafter acquire against any other Debtor arising under or in connection with this Agreement, including, without limitation, any claim, right or remedy of subrogation, contribution, reimbursement, exoneration, indemnification or participation arising under contract, by applicable law or otherwise in any claim, right or remedy of the Administrative Agent or the other Secured Parties against such Debtor or any other Person or any Collateral which the Administrative Agent or any other Secured Party may now have or may hereafter acquire, until the indefeasible payment and satisfaction in full of all Secured Obligations and the expiration and termination of the Commitments. If, notwithstanding the preceding sentence, any amount shall be paid to any Debtor on account of such subrogation rights at any time when any of the Secured Obligations shall not have been paid in full, such amount shall be held by such Debtor in trust for the Administrative Agent and the other Secured Parties, segregated from other funds of such Debtor and be turned over to the Administrative Agent in the exact form received by such Debtor (duly endorsed by such Debtor to the Administrative Agent, if required), to be applied against the Secured Obligations, whether matured or unmatured, in accordance with the Loan Documents. Notwithstanding the foregoing, the Debtors shall be expressly permitted hereunder to make payments to each other to the extent not prohibited by the Credit Agreement.

7.18 Conflict with Credit Agreement. In the event of any conflict between the terms of this Agreement and the terms of the Credit Agreement, the terms of the Credit Agreement shall control.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

BORROWERS:

AMEDISYS, INC.

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
President and Chief Financial Officer

AMEDISYS HOLDING, L.L.C.

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
Vice President

GUARANTORS:

ADVENTA HOSPICE SERVICES OF FLORIDA, INC.,
a Florida corporation;
AMEDISYS HOME HEALTH, INC. OF ALABAMA,
an Alabama corporation;
AMEDISYS HOME HEALTH, INC. OF SOUTH CAROLINA,
a South Carolina corporation;
AMEDISYS HOME HEALTH, INC. OF VIRGINIA,
a Virginia corporation;
HMR ACQUISITION, INC.,
a Delaware corporation;
ACCUMED GENPAR, L.L.C.,
a Texas limited liability company;
ACCUMED HOLDING, L.L.C.,
a Delaware limited liability company;
ACCUMED HOME HEALTH OF GEORGIA, L.L.C.,
a Georgia limited liability company;
ACCUMED HOME HEALTH OF NORTH TEXAS, L.L.C.,
a Texas limited liability company;
ADVENTA HOSPICE, L.L.C.,
a Florida limited liability company;
ALBERT GALLATIN HOME CARE AND HOSPICE SERVICES, LLC,
a Delaware limited liability company;
AMEDISYS AIR, L.L.C.,
a Louisiana limited liability company;
AMEDISYS ALABAMA, L.L.C.,
an Alabama limited liability company;
AMEDISYS ALASKA, LLC,
an Alaska limited liability company;
AMEDISYS ARIZONA, L.L.C.,
an Arizona limited liability company;
AMEDISYS ARKANSAS, LLC,
an Arkansas limited liability company;
AMEDISYS BA, LLC,
a Delaware limited liability company;
AMEDISYS CALIFORNIA, L.L.C.,
a California limited liability company;

AMEDISYS COLORADO, L.L.C.,
a Colorado limited liability company;
AMEDISYS CONNECTICUT, L.L.C.,
a Connecticut limited liability company;
AMEDISYS DELAWARE, L.L.C.,
a Delaware limited liability company;
AMEDISYS FLORIDA, L.L.C.,
a Florida limited liability company;
AMEDISYS GEORGIA, L.L.C.,
a Georgia limited liability company;
AMEDISYS HOSPICE, L.L.C.,
a Louisiana limited liability company;
AMEDISYS IDAHO, L.L.C.,
an Idaho limited liability company;
AMEDISYS ILLINOIS, L.L.C.,
an Illinois limited liability company;
AMEDISYS INDIANA, L.L.C.,
an Indiana limited liability company;
AMEDISYS IOWA, L.L.C.,
an Iowa limited liability company;
AMEDISYS KANSAS, L.L.C.,
a Kansas limited liability company;
AMEDISYS LA ACQUISITIONS, L.L.C.,
a Louisiana limited liability company;
AMEDISYS LOUISIANA, L.L.C.,
a Louisiana limited liability company;
AMEDISYS MAINE, P.L.L.C.,
a Maine professional limited liability company;
AMEDISYS MARYLAND, L.L.C.,
a Maryland limited liability company;
AMEDISYS MASSACHUSETTS, L.L.C.,
a Massachusetts limited liability company;
AMEDISYS MICHIGAN, L.L.C.,
a Michigan limited liability company;
AMEDISYS MINNESOTA, L.L.C.,
a Minnesota limited liability company;
AMEDISYS MISSISSIPPI, L.L.C.,
a Mississippi limited liability company;
AMEDISYS MISSOURI, L.L.C.,
a Missouri limited liability company;
AMEDISYS NEBRASKA, L.L.C.,
a Nebraska limited liability company;
AMEDISYS NEVADA, L.L.C.,
a Nevada limited liability company;

AMEDISYS NEW HAMPSHIRE, L.L.C.,
a New Hampshire limited liability company;
AMEDISYS NEW JERSEY, L.L.C.,
a New Jersey limited liability company;
AMEDISYS NEW MEXICO, L.L.C.,
a New Mexico limited liability company;
AMEDISYS NORTH CAROLINA, L.L.C.,
a North Carolina limited liability company;
AMEDISYS NORTH DAKOTA, L.L.C.,
a North Dakota limited liability company;
AMEDISYS NORTHWEST, L.L.C.,
a Georgia limited liability company;
AMEDISYS OHIO, L.L.C.,
an Ohio limited liability company;
AMEDISYS OKLAHOMA, L.L.C.,
an Oklahoma limited liability company;
AMEDISYS OREGON, L.L.C.,
an Oregon limited liability company;
AMEDISYS PENNSYLVANIA, L.L.C.,
a Pennsylvania limited liability company;
AMEDISYS PROPERTY, L.L.C.,
a Louisiana limited liability company;
AMEDISYS PUERTO RICO, L.L.C.,
a Puerto Rican limited liability company;
AMEDISYS QUALITY OKLAHOMA, L.L.C.,
an Oklahoma limited liability company;
AMEDISYS RHODE ISLAND, L.L.C.,
a Rhode Island limited liability company;
AMEDISYS SC, L.L.C.,
a South Carolina limited liability company;
AMEDISYS SOUTH DAKOTA, L.L.C.,
a South Dakota limited liability company;
AMEDISYS SOUTH FLORIDA, L.L.C.,
a Florida limited liability company;
AMEDISYS SPECIALIZED MEDICAL SERVICES, L.L.C.,
a Louisiana limited liability company;
AMEDISYS SP-IN, L.L.C.,
an Indiana limited liability company;

AMEDISYS SP-KY, L.L.C.,
a Kentucky limited liability company;
AMEDISYS SP-OH, L.L.C.,
an Ohio limited liability company;
AMEDISYS SP-TN, L.L.C.,
a Tennessee limited liability company;
AMEDISYS TENNESSEE, L.L.C.,
a Tennessee limited liability company;
AMEDISYS TEXAS, L.L.C.,
a Texas limited liability company;
AMEDISYS TLC ACQUISITION, L.L.C.,
a Louisiana limited liability company;
AMEDISYS UTAH, L.L.C.,
a Utah limited liability company;
AMEDISYS VENTURES, L.L.C.,
a Delaware limited liability company;
AMEDISYS VIRGINIA, L.L.C.,
a Virginia limited liability company;
AMEDISYS WASHINGTON, L.L.C.,
a Washington limited liability company;
AMEDISYS WESTERN, L.L.C.,
a Delaware limited liability company;
AMEDISYS WEST VIRGINIA, L.L.C.,
a West Virginia limited liability company;
AMEDISYS WISCONSIN, L.L.C.,
a Wisconsin limited liability company;
AMEDISYS WYOMING, L.L.C.,
a Wyoming limited liability company;
ANMC VENTURES, L.L.C.,
a Louisiana limited liability company;
AVENIR VENTURES, L.L.C.,
a Louisiana limited liability company;
BEACON HOSPICE, L.L.C.,
a Delaware limited liability company;
BROOKSIDE HOME HEALTH, LLC,
a Virginia limited liability company;
COMPREHENSIVE HOME HEALTHCARE SERVICES, L.L.C.,
a Tennessee limited liability company;
EMERALD CARE, L.L.C.,
a North Carolina limited liability company;
FAMILY HOME HEALTH CARE, L.L.C.,
a Kentucky limited liability company;

HHC, L.L.C.,
a Tennessee limited liability company;
HOME HEALTH OF ALEXANDRIA, L.L.C.,
a Louisiana limited liability company;
HORIZONS HOSPICE CARE, L.L.C.,
an Alabama limited liability company;
HOUSECALL, L.L.C.,
a Tennessee limited liability company;
HOUSECALL HOME HEALTH, L.L.C.,
a Tennessee limited liability company;
HOUSECALL MEDICAL RESOURCES, L.L.C.,
a Delaware limited liability company;
HOUSECALL MEDICAL SERVICES, L.L.C.,
a Tennessee limited liability company;
HOUSECALL SUPPORTIVE SERVICES, L.L.C.,
a Florida limited liability company;
MC VENTURES, LLC,
a Mississippi limited liability company;
M.M. ACCUMED VENTURES, L.L.C.,
a Texas limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES INTERNATIONAL, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES MIDWEST, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF BROWARD, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF DADE, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF ERIE NIAGARA, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF FLORIDA, LLC,
a Delaware limited liability company;

TENDER LOVING CARE HEALTH CARE SERVICES OF GEORGIA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF ILLINOIS, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF LONG ISLAND, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF MICHIGAN, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF NASSAU SUFFOLK, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF NEW ENGLAND, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF PA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF WEST VIRGINIA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF WESTERN NEW YORK, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES SOUTHEAST, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES WESTERN, LLC,
a Delaware limited liability company;
TLC HOLDINGS I, L.L.C.,
a Delaware limited liability company;
TLC HEALTH CARE SERVICES, L.L.C.,
a Delaware limited liability company;
ACCUMED HEALTH SERVICES, L.P.,
a Texas limited partnership
By: ACCUMED GENPAR, L.L.C., its general partner;
NINE PALMS 1, LP,
a Virginia limited partnership,
By: BROOKSIDE HOME HEALTH, LLC, its general partner; and

NINE PALMS 2, LLP,
a Mississippi limited liability partnership
By: MC VENTURES, LLC, its general partner

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
Vice President

ADMINISTRATIVE AGENT:

JPMORGAN CHASE BANK, N.A.,
not in its individual capacity but solely as Administrative Agent

By: /s/ John Kushnerick
Name: John Kushnerick
Title: Vice President

Signature Page to Security and Pledge Agreement

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Section 6: EX-31.1 (EX-31.1)

Exhibit 31.1

CERTIFICATION

I, William F. Borne, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, 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: November 12, 2013

/s/ WILLIAM F. BORNE
William F. Borne

Chief Executive Officer

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Section 7: 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 September 30, 2013, 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: November 12, 2013

/s/ Ronald A. LaBorde
Ronald A. LaBorde

Chief Financial Officer

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Section 8: EX-32.1 (EX-32.1)

Exhibit 32.1

CERTIFICATION OF CHIEF 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 September 30, 2013 (the "Report"), I, William F. Borne, 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: November 12, 2013

/s/ WILLIAM F. BORNE
William F. Borne

Chief Executive Officer

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Section 9: EX-32.2 (EX-32.2)

Exhibit 32.2

**CERTIFICATION OF CHIEF 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 September 30, 2013 (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: November 12, 2013

/s/ Ronald A. LaBorde
Ronald A. LaBorde

Chief Financial Officer
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