

Supplemental Financial Information

First Quarter Ended March 31, 2020

May 7, 2020



GROUP

Our Culture:

With an unwavering commitment to integrity, quality, professionalism, and compassion, we make healthcare work better for the patients, families, and communities we are privileged to serve. It's all about helping people.

Forward-Looking Statements

Nasdaq: LHCG

Please visit the Investors section on our website at Investor.LHCgroup.com for additional information on LHC Group and the industry.

This presentation contains “forward-looking statements” (as defined in the Securities Litigation Reform Act of 1995) regarding, among other things, future events or the future financial performance of the Company. Words such as “anticipate,” “expect,” “project,” “intend,” “believe,” “will,” “estimate,” “may,” “could,” “should,” “outlook,” and “guidance” and words and terms of similar substance used in connection with any discussion of future plans, actions, events or results identify forward-looking statements.

Forward-looking statements are based on information currently available to the Company and involve estimates, expectations and projections. Investors are cautioned that all such forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements, including, but not limited to, the risks and uncertainties related to the COVID-19 pandemic and those otherwise described in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Many of these risks, uncertainties and assumptions are beyond the Company’s ability to control or predict. Because of these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements.

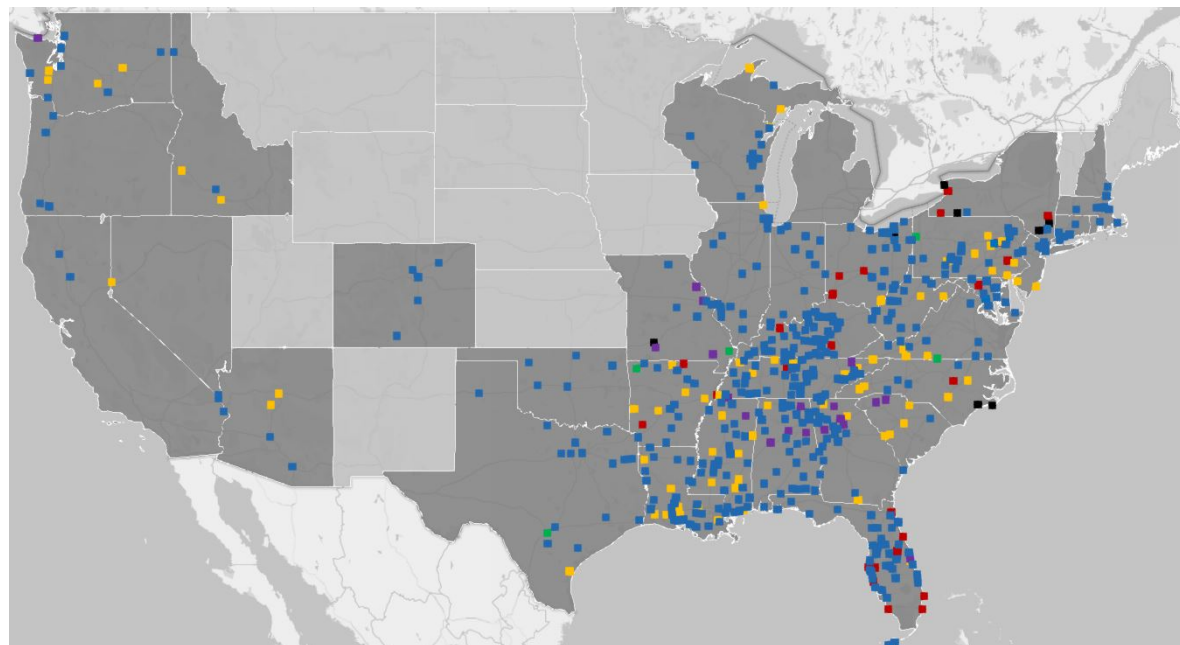
Non-GAAP Financial Information

This presentation includes certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), including EBITDA and Adjusted EBITDA. The company uses these non-GAAP financial measures in operating its business because management believes they are less susceptible to variances in actual operating performance that can result from the excluded items. The company presents these financial measures to investors because they believe they are useful to investors in evaluating the primary factors that drive the company’s operating performance. The items excluded from these non-GAAP measures are important in understanding LHC Group’s financial performance, and any non-GAAP measures presented should not be considered in isolation of, or as an alternative to, GAAP financial measures. Since these non-GAAP financial measures are not measures determined in accordance with GAAP, have no standardized meaning prescribed by GAAP and are susceptible to varying calculations, these measures, as presented, may not be comparable to other similarly titled measures of other companies. EBITDA of LHC Group is defined as net income (loss) before income tax benefit (expense), interest expense, and depreciation and amortization expense. Adjusted EBITDA of LHC Group is defined as net income (loss) before income tax expense benefit (expense), depreciation and amortization expense, and transaction costs related to previous transactions.

Table of Contents

Company overview.....	4-5
COVID-19 Update.....	6-9
Consolidated results.....	10-11
Adjustments to net income.....	12
Segment results.....	13-18
Quality data.....	19
Debt and liquidity metrics.....	20
Focus for 2020.....	21
Non-GAAP reconciliations.....	22-23

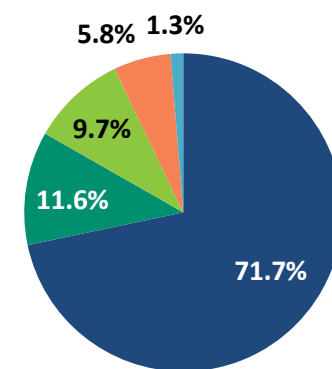
LHC Group Overview



- Home Health
- Hospice
- HCBS
- Home Health & Hospice
- Home Health & HCBS
- Home Health, Hospice, & HCBS

% of Revenue

- HH
- Hospice
- HCBS
- Facility-based
- HCI



556
home health
locations



60%
of U.S.
population
aged 65+
included in
service area



112
hospice
locations



111
home & community
based
services
locations



13
Long term
acute care
hospitals
locations



28
other service
locations



820
total
locations



350
leading
hospital
JV partners



35
states and
District of
Columbia

Commentary on Q1 2020

- Net service revenue increased 2.0% for Q1 as compared to Q1 2019 and exceeded the top end of our Q1 guidance range by \$3 million even with the COVID-19 headwind.
- Adjusted net income attributable to LHC Group's common stockholders was \$23.4 million, or \$0.75 adjusted earnings per diluted share.
- Adjusted EBITDA was \$38.1 million.
- As expected, margins were impacted in the home health segment due to the headwinds from PDGM while all segments were impacted by COVID-19 in Q1 2020 when compared to Q1 2019. As evidenced by our pre COVID start to the year, our confidence remains high in our PDGM execution and ramp throughout the year.
- Organic growth in admissions for home health locations was 7.1% for the quarter; up 11.6% for the first two months.
- Organic growth in admissions for hospice was 0.2% for the quarter, up 1.9% for the first two months.
- Prior to the effects of COVID-19, earnings per diluted share and EBITDA were both on pace to be above the top end of the first quarter guidance range.
- Patient volumes from referral sources were impacted by various COVID-19 policies implemented by authorities including pausing elective procedures. Telehealth has been utilized for additional remote patient visits and maintaining relationships with physicians, and other referral sources.
- Volumes began to stabilize in mid-April and have begun to improve.
- Due to the lack of visibility created by the ongoing impact and disruption from COVID-19, withdrew previously issued guidance for 2020.

COVID-19 Update

- Formed a multi-disciplinary internal COVID-19 task force in early March to lead our response to the pandemic.
- Every employee is screened daily based on CDC guidelines, and every patient (regardless of condition) is seen by a clinician with at least face mask and gloves while COVID patients (actual or suspect) are seen by a clinician with full PPE.
- LHC Group successfully sourced PPE, directly and through normal channels, and has established sourcing for future orders to ensure adequate supplies.
- Introduced programs to support employees, including a pandemic grant program under our 501(c)(3) LHC Group Purpose Fund, retirement plan amendments, special cash-in opportunities for accumulated paid time off, expanded offerings in our employee assistance program, and a wage supplement program for front line direct patient care-giving employees.
- Implemented cost containment initiatives such as eliminating non-essential travel and expenses, select employee furloughs and workforce reduction and flex time.
- Liquidity remains strong with over \$385.4 million from cash and availability on the revolving credit facility.
- In April 2020, we received CARES Act stimulus funds totaling \$87.5 million.
- On March 30, 2020, we applied for accelerated Medicare payments under the CARES Act. During April, we received funds totaling \$307.6 million under this program. CMS will begin to recoup these accelerated payments beginning 120 days after receipt by the provider.
- The pandemic has reinforced the preferred setting of care in the home among referring physicians, hospitals, families and patients.

Pre COVID-19 Trends Compared with Current Trends

Same Store Organic Admission Growth by 2020 Period over Same Period in 2019

	Jan. 1 – Feb. 29	Jan. 1 – Mar. 14	Mar. 15 – Mar. 31	Apr. 1 – Apr. 15	Apr. 16 – Apr. 30
Home Health	11.6%	9.8%	-8.8%	-20.1%	-9.7%
Hospice	1.9%	2.4%	-8.5%	-11.4%	1.5%
Florida HH Division	15.2%	15.7%	-6.3%	-9.2%	-0.5%

Pre COVID-19 Trends Compared with Current Trends continued

Weekly Home Health, Hospice and HCBS Trends

COVID-19 Period

Week Ending	Feb. 29, 2020	Mar. 7, 2020	Mar. 14, 2020	Mar. 21, 2020	Mar. 28, 2020	Apr. 4, 2020	Apr. 11, 2020	Apr. 18, 2020	Apr. 25, 2020	May 2, 2020
<u>Home Health:</u>										
Average weekly census	78,807	79,341	79,255	78,689	77,767	76,466	75,375	74,936	75,152	76,068
Average weekly admissions	8,904	8,419	8,277	8,071	6,979	6,172	6,257	6,169	6,634	6,700
Admission of COVID-19 positive patients	-	-	59	58	76	115	219	311	468	627
Patient declined admission due to COVID-19 concern	-	51	259	336	279	225	133	89	111	52
Missed visits due to COVID-19	-	14	412	5,984	8,585	8,332	6,837	4,627	3,117	1,937
Weekly LUPA %	8.4%	8.6%	8.7%	8.8%	10.8%	12.5%	11.2%	10.2%	10.0%	7.9%
Virtual visits and Telehealth	14,320	14,400	14,163	16,984	22,159	21,990	19,487	17,881	17,154	16,533
Institutional vs Community admission	64.5%	66.4%	66.9%	70.4%	65.6%	61.4%	58.5%	57.4%	55.3%	56.1%
<u>Hospice:</u>										
Hospice weekly admissions	370	367	372	376	330	350	310	350	332	382
Hospice average weekly census	4,261	4,242	4,251	4,306	4,309	4,304	4,311	4,310	4,307	4,295
<u>HCBS:</u>										
HCBS billable hours	180,118	177,150	178,541	176,850	173,108	171,042	168,755	167,820	168,065	168,710
HCBS billable hours missed due to COVID-19	24	84	292	2,016	7,343	11,707	14,253	14,044	13,902	12,004

CARES Act Policy Implications

Near-term financial benefits are substantial	Estimated 2020 financial impact
\$100 Billion Emergency Funding	On April 10, 2020, LHC Group, without application, received \$87.5 million from the CARES Act provider relief fund as a formulaic calculation applied to LHC Group's 2019 Medicare fee-for-service revenue. The ability of LHC Group to retain and utilize the full \$87.5 million from the relief fund will depend on the magnitude, timing and nature of the economic impact of COVID-19 within LHC Group as well as the guidelines and rules of the federal relief program.
Advanced Accelerated Payment	LHC Group received funds totaling \$307.6 million under the Medicare Accelerated and Advance Payment Program. The accelerated Medicare payments are interest free and the program currently requires that the Centers for Medicare and Medicaid Services ("CMS") recoup the accelerated payments beginning 120 days after receipt by the provider, by withholding future Medicare fee-for service payments for claims until such time as the full accelerated payment has been recouped. The program currently requires Medicare Part A providers to repay the funds within 210 days of receipt.
Payroll tax deferral	The CARES Act permits employers to defer the deposit and payment of the employer's portion of social security taxes that otherwise would be due between March 27, 2020, and December 31, 2020. The law permits employers instead to deposit half of these deferred payments by the end of 2021 and the other half by the end of 2022. We estimate the cash benefit to us at \$50 million to \$55 million in 2020.
Sequestration holiday	The CARES Act temporarily suspends Medicare sequestration for the period of May 1 through December 31, 2020. As a result, health care providers can expect to receive an increase in fee-for-service Medicare payments by approximately 2% which we estimate to be an approximately \$15 million to \$20 million positive impact to revenue for us during this period.

Potential benefits that could lead to new homecare policies post-COVID-19

Nurse Practitioners and Physician Assistants are permanently authorized to order and certify home health services.	Nurse Practitioners and Physician Assistants can order and follow a home health plan of care and conduct face to face visits.
HHS is directed to encourage the use of telehealth, including remote patient monitoring in the home.	While not yet a separately reimbursed benefit, it's a step in the right direction and gives us increased flexibilities for technology in the home.
Nurse Practitioners and Physician Assistants are permitted to conduct face to face recertification for hospice eligibility via telehealth.	Creates greater regulatory flexibilities and greater benefit to our patients in the home.

2020 Adjusted Consolidated Results

Three months ended March 31			
	Consolidated	Total Adjustments	Adjusted Consolidated
Net service revenue	\$512,871	\$0	\$512,871
Cost of service revenue	321,202	(310)	320,892
Gross margin	191,669		191,979
General and administrative expenses	157,866	(4,546)	153,320
Impairment of intangibles and other	0	0	0
Operating income	\$33,803	\$4,856	\$38,659
Add back depreciation	5,133	0	5,133
Less noncontrolling interests	(5,652)	0	(5,652)
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$33,284	\$4,856	\$38,140
EBITDA less NCI as a percentage of revenue	6.5%		7.4%

Consolidated Results – 2020 vs 2019 Adjusted

	Three months ended March 31,			
	2020 Adjusted Consolidated	% of rev	2019 Adjusted Consolidated	% of rev
Net service revenue	\$512,871		\$502,585	
Cost of service revenue	320,892	62.6%	316,325	62.9%
Gross margin	191,979	37.4%	186,260	37.1%
General and administrative expenses	153,320	29.9%	139,803	27.8%
Operating income	\$38,659	7.5%	\$46,457	9.2%
Depreciation	5,133		4,202	
Non-controlling interests	(5,652)		(4,545)	
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$38,140		\$46,114	
EBITDA less NCI as a percentage of revenue	7.4%		9.2%	

Adjustments to Net Income

PRE-TAX ADJUSTMENTS	Q1 2020	Q1 2019
Acquisition and <i>de novo</i> expenses (1)	\$1,510	\$7,295
Closures/relocations/consolidations (2)	468	3,109
COVID-19 PPE, supplies and wages (3)	2,878	-
Provider moratorium impairment (5)	-	6,000
Total	\$4,856	\$16,404
ADJUSTMENTS NET OF TAX	Q1 2020	Q1 2019
Acquisition and <i>de novo</i> expenses (1)	\$1,106	\$5,268
Closures/relocations/consolidations (2)	343	2,244
COVID-19 impact:		
PPE, supplies and wages (3)	2,108	-
CARES Act tax benefit (4)	(2,210)	-
Provider moratorium impairment (5)	-	4,322
Total	\$1,347	\$11,844
ADJUSTMENTS NET OF TAX	Q1 2020	Q1 2019
Acquisition and <i>de novo</i> expenses (1)	\$0.04	\$0.17
Closures/relocations/consolidations (2)	0.01	0.07
COVID-19 impact:		
PPE, supplies and wages (3)	0.07	-
CARES Act tax benefit (4)	(0.07)	-
Provider moratorium impairment (5)	-	0.14
Total	\$0.05	\$0.38

Footnotes:

- Expenses and other costs associated with recently announced or completed acquisitions and *de novos* (\$1.5 million pre-tax in the three months ended March 31, 2020).
- Expenses associated with the closure or consolidation of 4 locations in the first quarter of 2020 along with residual costs and expenses in connection with closures in the fourth quarter of 2019 (\$0.5 million pre-tax in the three months ended March 31, 2020).
- COVID-19 related expenses for purchases of personal protective equipment (PPE), supplies and wage adjustments (\$2.9 million pre-tax in the three months ended March 31, 2020).
- Tax benefit related to new legislation in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which lifts certain tax deduction limitations and eliminates 80% of taxable income limitations for Net Operating Losses ("NOL"), which we are now able to fully utilize NOLs associated with Almost Family prior to the merger.
- During the three months ended March 31, 2019, the Company recorded \$6.0 million of moratoria impairment as a result of the Centers for Medicare and Medicaid Services ("CMS") action to remove all federal moratoria with regard to Medicare provider enrollment.

Three Months Ended March 31, 2020 Adjusted Segment Results

	Home health services	Adjustments	Adjusted Home health services	Hospice services	Adjustments	Adjusted Hospice services	HCBS services	Adjustments	Adjusted HCBS services
Net service revenue	\$367,821		\$367,821	\$60,531		\$60,531	\$48,464		\$48,464
Cost of service revenue	220,440	(248)	220,192	38,034	(62)	37,972	38,453		38,453
Gross margin	147,381		147,629	22,497		22,559	10,011		10,011
General and administrative expenses	116,023	(3,094)	112,929	16,626	(512)	16,114	11,459	(393)	11,066
Impairment of intangibles and other	0	0	0	0	0	0	0	0	0
Operating income	\$31,358	\$3,342	\$34,700	\$5,871	\$574	\$6,445	(\$1,448)	\$393	(\$1,055)
Add back depreciation	3,001		3,001	515		515	391		391
Less noncontrolling interests	(4,606)		(4,606)	(967)		(967)	155		155
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$29,753	\$3,342	\$33,095	\$5,419	\$574	\$5,993	(\$902)	\$393	(\$509)
EBITDA less NCI as a percentage of revenue	8.1%		9.0%	9.0%		9.9%	-1.9%		-1.0%

	Facility-based services	Adjustments	Adjusted Facility-based services	HCI	Adjustments	Adjusted HCI services
Net service revenue	\$29,681		\$29,681	\$6,374		\$6,374
Cost of service revenue	20,342		20,342	3,933		3,933
Gross margin	9,339		9,339	2,441		2,441
General and administrative expenses	10,380	(547)	9,833	3,378		3,378
Impairment of intangibles and other	0	0	0	0	0	0
Operating income	(\$1,041)	\$547	(\$494)	(\$937)	\$0	(\$937)
Add back depreciation	931		931	295		295
Less noncontrolling interests	(243)		(243)	9		9
Earnings before interest, tax, and depreciation (EBITDA less NCI)	(\$353)	\$547	\$194	(\$633)	\$0	(\$633)
EBITDA less NCI as a percentage of revenue	-1.2%		0.7%	-9.9%		-9.9%



Home Health Segment Adjusted Segment Results – 2020 vs 2019

Three months ended March 31,				
	2020 Adjusted Home Health Services	% of rev	2019 Adjusted Home Health Services	% of rev
Net service revenue	\$367,821		\$363,035	
Cost of service revenue	220,192	59.9%	222,720	61.3%
Gross margin	147,629	40.1%	140,315	38.7%
General and administrative expenses	112,929	30.7%	101,190	27.9%
Operating income	\$34,700	9.4%	\$39,125	10.8%
Depreciation	3,001		2,403	
Noncontrolling interests	(4,606)		(3,780)	
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$33,095		\$37,748	
EBITDA less NCI as a percentage of revenue	9.0%		10.4%	

- For the three months ended March 31, 2020, consolidated Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) decreased 140 basis points as a percentage of revenue. The decrease is due to an approximately 3% rate reduction on Medicare PDGM episodes in the first quarter and volume decline due to COVID-19 in late March.



Hospice Segment Adjusted Segment Results – 2020 vs 2019

Three months ended March 31,				
	2020 Adjusted Hospice Services	% of rev	2019 Adjusted Hospice Services	% of rev
Net service revenue	\$60,531		\$51,736	
Cost of service revenue	37,972	62.7%	32,975	63.7%
Gross margin	22,559	37.3%	18,761	36.3%
General and administrative expenses	16,114	26.6%	13,928	26.9%
Operating income	\$6,445	10.6%	\$4,833	9.3%
Depreciation	515		426	
Noncontrolling interests	(967)		(601)	
Earnings before interest, tax, and depreciation (EBITDA less NCI)	\$5,993		\$4,658	
EBITDA less NCI as a percentage of revenue	9.9%		9.0%	

- For the three months ended March 31, 2020, Adjusted EBITDA increased 90 basis points due to improved gross margin driven by growth in average daily census resulting in higher patient days.



Home and Community Based Services Segment Adjusted Segment Results – 2020 vs 2019

Three months ended March 31,				
	2020 Adjusted HCBS Services	% of rev	2019 Adjusted HCBS Services	% of rev
Net service revenue	\$48,464		\$51,785	
Cost of service revenue	38,453	79.3%	39,661	76.6%
Gross margin	10,011	20.7%	12,124	23.4%
General and administrative expenses	11,066	22.8%	10,696	20.7%
Operating income (loss)	(\$1,055)	-2.2%	\$1,428	2.8%
Depreciation	391		310	
Noncontrolling interests	155		310	
Earnings before interest, tax, and depreciation (EBITDA less NCI)	(\$509)		\$2,048	
EBITDA less NCI as a percentage of revenue	-1.0%		4.0%	

- For the three months ended March 31, 2020, Adjusted EBITDA decreased 500 basis points due to disruption associated with the conversion to a new billing and operational platform in the fourth quarter of 2019 along with a \$500,000 reduction to revenue associated with prior year revenue. We also experienced impact related to COVID-19 with a reduction to billable hours during March 15 – March 30, 2020.



Facility-Based Services Segment Adjusted Segment Results – 2020 vs 2019

Three months ended March 31,				
	2020 Adjusted Facility-based Services	% of rev	2019 Adjusted Facility-based Services	% of rev
Net service revenue	\$29,681		\$27,701	
Cost of service revenue	20,342	68.5%	17,574	63.4%
Gross margin	9,339	31.5%	10,127	36.6%
General and administrative expenses	9,833	33.1%	8,980	32.4%
Operating income (loss)	(\$494)	-1.7%	\$1,147	4.1%
Depreciation	931		756	
Noncontrolling interests	(243)		(481)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	\$194		\$1,422	
EBITDA less NCI as a percentage of revenue	0.7%		5.1%	

- For the three months ended March 31, 2020, Adjusted EBITDA decreased 440 basis points. This was due to low occupancy rate of 65% due to the effect of COVID-19. Occupancy has improved to a current rate of approximately 80% in April.



Home Care Innovations Segment Adjusted Segment Results – 2020 vs 2019

Three months ended March 31,				
	2020 HCI Services	% of rev	2019 Adjusted HCI Services	% of rev
Net service revenue	\$6,374		\$8,328	
Cost of service revenue	3,933	61.7%	3,395	40.8%
Gross margin	2,441	38.3%	4,933	59.2%
General and administrative expenses	3,378	53.0%	5,009	60.1%
Operating income (loss)	(\$937)	-14.7%	(\$76)	-0.9%
Depreciation	295		307	
Noncontrolling interests	9		7	
Earnings before interest, tax and depreciation (EBITDA less NCI)	(\$633)		\$238	
EBITDA less NCI as a percentage of revenue	-9.9%		2.9%	

- The decrease in revenue in the first quarter of 2020 as compared to the first quarter in 2019 is mainly due to the sale of the Ingenios Health business which occurred in March 2019. Our Long-Term Solutions business within HCI experienced a reduction in assessments in the first quarter due to COVID-19.

Industry-Leading Quality and Patient Satisfaction

Quality	April 2020	Jan 2020
LHC Group excluding 2019 acquisitions	4.32	4.36
LHC Group with 2019 acquisitions	4.29	4.32
National average	3.25	3.27

- 85% of LHC same-store providers have CMS 4 stars or greater for quality



Patient Satisfaction	April 2020	Jan 2020
LHC Group excluding 2019 acquisitions	3.97	3.91
LHC Group with 2019 acquisitions	3.95	3.90
National average	3.55	3.50

- 80% of LHC same-store providers have CMS 4 stars or greater for patient satisfaction



- 100% of LHC Group home health and hospice agencies are Joint Commission accredited or are in the accreditation process within 12 to 18 months after acquisition.
- Approximately 15% of all Medicare certified home health agencies nationwide are Joint Commission accreditation.



Debt and Liquidity Metrics

Outstanding Debt <i>(amounts in thousands)</i>	As of Mar. 31, 2020
Total Debt – Balance Sheet	\$298,071
Less: Cash	\$8,308
Net Debt	\$289,763
Net debt to estimated TTM adjusted EBITDA ratio	1.4x

Credit Facility <i>(amounts in thousands)</i>	As of Mar. 31, 2020
Revolver Size	\$500,000
Less: Outstanding Revolver	\$298,071
Less: Letters of Credit	<u>\$24,900</u>
Available Revolver	\$177,029
Plus: Cash	\$8,308
Plus: Accordion	<u>\$200,000</u>
Total Liquidity	\$385,377

Cash Flow <i>(amounts in thousands)</i>	As of Mar. 31, 2020
Free Cash Flow (3 Months Ended)	(\$42,469)
+ Cash adjustments net of tax to 2020 EBITDA	3,555
= Adjusted Free Cash Flow (3 Months Ended)	(\$38,914)
DSO's	62 days

Focus for 2020

- ✓ Prioritize the safety and protection of our employees, patients and communities we serve
- ✓ Maintain proactive posture to COVID-19 pandemic response
- ✓ Successful execution of our PDGM clinical pathway and efficiency plan
- ✓ Continue to lead the industry in quality and patient satisfaction scores
- ✓ Maintain disciplined capital allocation with new joint ventures and other M&A activity
- ✓ Accelerate plans for unlocking untapped potential of co-location strategy
- ✓ Maximize value of Healthcare Innovations business
- ✓ Capture market share gains and incremental contributions from recent joint ventures and other acquisitions
- ✓ Capture opportunistic share in each market from anticipated consolidation caused by PDGM and RAP elimination
- ✓ Continue our focus as an industry leader in key areas around employee recruitment and retention including vacancy rate and voluntary turnover

Non-GAAP Reconciliations (Amounts in thousands, unaudited)

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO LHC GROUP	Three Months Ended March 31,	Three Months Ended March 31,
	2020	2019
Net income attributable to LHC Group, Inc.'s common stockholders	\$22,024	\$18,856
Add (net of tax):		
Acquisition and <i>de novo</i> expenses ⁽¹⁾	1,106	5,268
Closures/relocations/consolidations ⁽²⁾	343	2,244
COVID-19 impact:		
PPE, supplies and wages ⁽³⁾	2,108	-
CARES Act tax benefit ⁽⁴⁾	(2,210)	-
Provider moratorium impairment ⁽⁵⁾	-	4,332
Adjusted net income attributable to LHC Group, Inc.'s common stockholders	\$23,371	\$30,700
RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO LHC GROUP PER DILUTED SHARE	Three Months Ended March 31,	Three Months Ended March 31,
	2020	2019
Net income attributable to LHC Group, Inc.'s common stockholders	\$0.70	\$0.60
Add (net of tax):		
Acquisition and <i>de novo</i> expenses ⁽¹⁾	0.04	0.17
Closures/relocations/consolidations ⁽²⁾	0.01	0.07
COVID-19 impact:		
PPE, supplies and wages ⁽³⁾	0.07	-
CARES Act tax benefit ⁽⁴⁾	(0.07)	-
Provider moratorium impairment ⁽⁵⁾	-	0.14
Adjusted net income attributable to LHC Group, Inc.'s common stockholders	\$0.75	\$0.98

Non-GAAP Reconciliations (Amounts in thousands, unaudited)

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Net income	\$22,024	\$18,856
Add:		
Income tax expense	3,359	3,600
Interest expense, net	2,768	3,052
Depreciation and amortization	5,133	4,202
Adjustment items (*)	4,856	16,404
Adjusted EBITDA	\$38,140	\$46,114

(*) Adjustment items (pre-tax):

Acquisition and <i>de novo</i> expenses ⁽¹⁾	\$1,510	\$7,295
Closures/relocations/consolidations ⁽²⁾	468	3,109
COVID-19 PPE, supplies and wages ⁽³⁾	2,878	3,109
Provider moratorium impairment ⁽⁵⁾	-	6,000
Total adjustments	\$4,856	\$16,404

Footnotes:

- Expenses and other costs associated with recently announced or completed acquisitions and *de novos* (\$1.5 million pre-tax in the three months ended March 31, 2020).
- Expenses associated with the closure or consolidation of 4 locations in the first quarter of 2020 along with residual costs and expenses in connection with closures in the fourth quarter of 2019 (\$0.5 million pre-tax in the three months ended March 31, 2020).
- COVID-19 related expenses for purchases of personal protective equipment (PPE), supplies and wage adjustments (\$2.9 million pre-tax in the three months ended March 31, 2020).
- Tax benefit related to new legislation in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which lifts certain tax deduction limitations and eliminates 80% of taxable income limitations for Net Operating Losses ("NOL"), which we are now able to fully utilize NOLs associated with Almost Family prior to the merger.
- During the three months ended March 31, 2019, the Company recorded \$6.0 million of moratoria impairment as a result of the Centers for Medicare and Medicaid Services ("CMS") action to remove all federal moratoria with regard to Medicare provider enrollment.



It's all about helping people.