SUPPLEMENTAL FINANCIAL INFORMATION

Second Quarter Ended June 30, 2022

August 3, 2022

LHC GROUP

Our Culture:

With an unwavering commitment to integrity, quality, professionalism, compassion, equity, and inclusion, we make healthcare work better for the patients, families, and diverse 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, or the timing or anticipated benefits of pending acquisition of the Company by UnitedHealth Group Incorporated. Words such as "anticipate," "expect," "project," "intend," "believe," "will," "estimates," "may," "could," "should" and words and terms of similar substance used in connection with any discussion of future plans, actions or events 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, and important factors could cause actual events or results to differ materially from those indicated by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, those discussed and described in our most recent Annual Report on Form 10-K, including those risks described in Part I, Item 1A. Risk Factors thereof, and in other reports filed subsequently by us with the Securities and Exchange Commission and, with respect to the pending acquisition of the Company by UnitedHealth Group Incorporated, include, but are not limited to, those discussed in the preliminary proxy statement filed by the Company with the SEC on April 29, 2021. All forward-looking statements included in this document are based on information available to us on the date hereof, and the Company assumes no obligation to update any such forward-looking statements to reflect future events or circumstances, except as required by law.

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.

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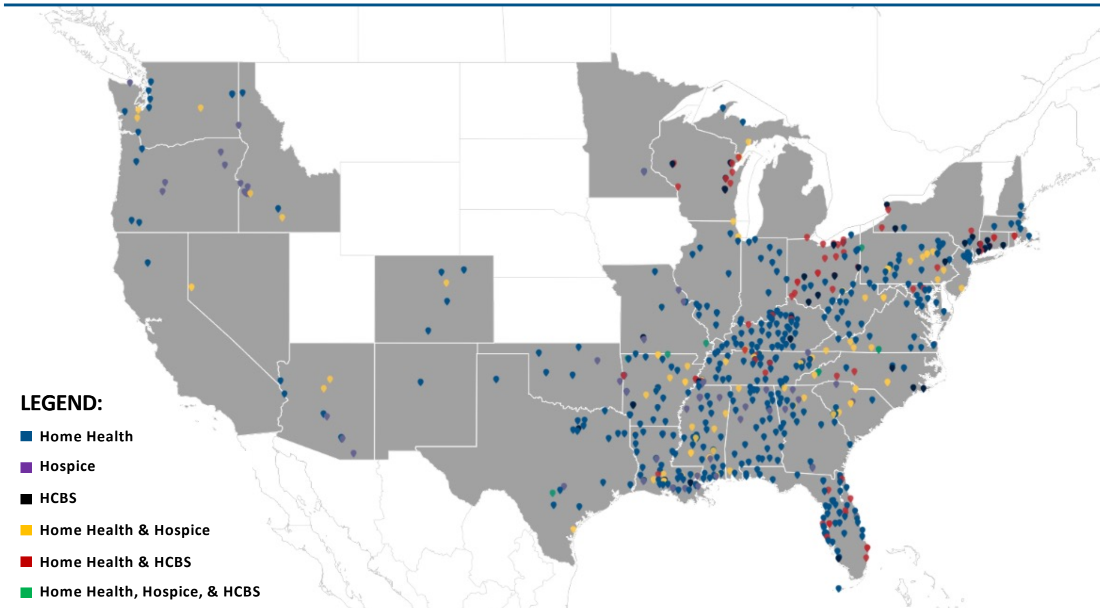
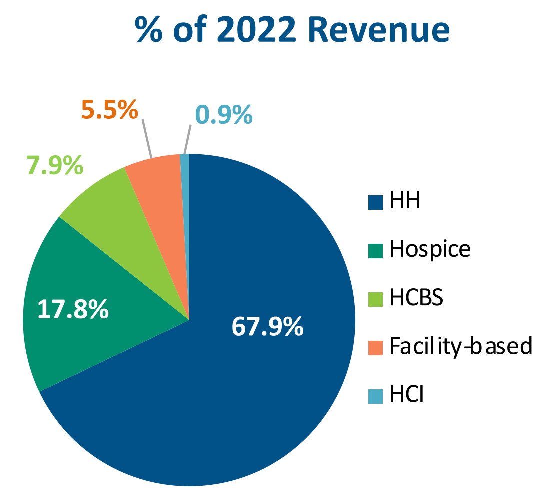
BUSINESS OVERVIEW

LHC GROUP OVERVIEW





543
home health locations

169
hospice locations

135
home & community based services locations

12
long term acute care hospital locations

94
other service locations

435
leading hospital JV partners

68%
of the U.S. population aged 65+ included in service area
(37 states & the District of Columbia)

12M+
annual patient encounters

3,600
referral hospitals

64,000
referral physicians

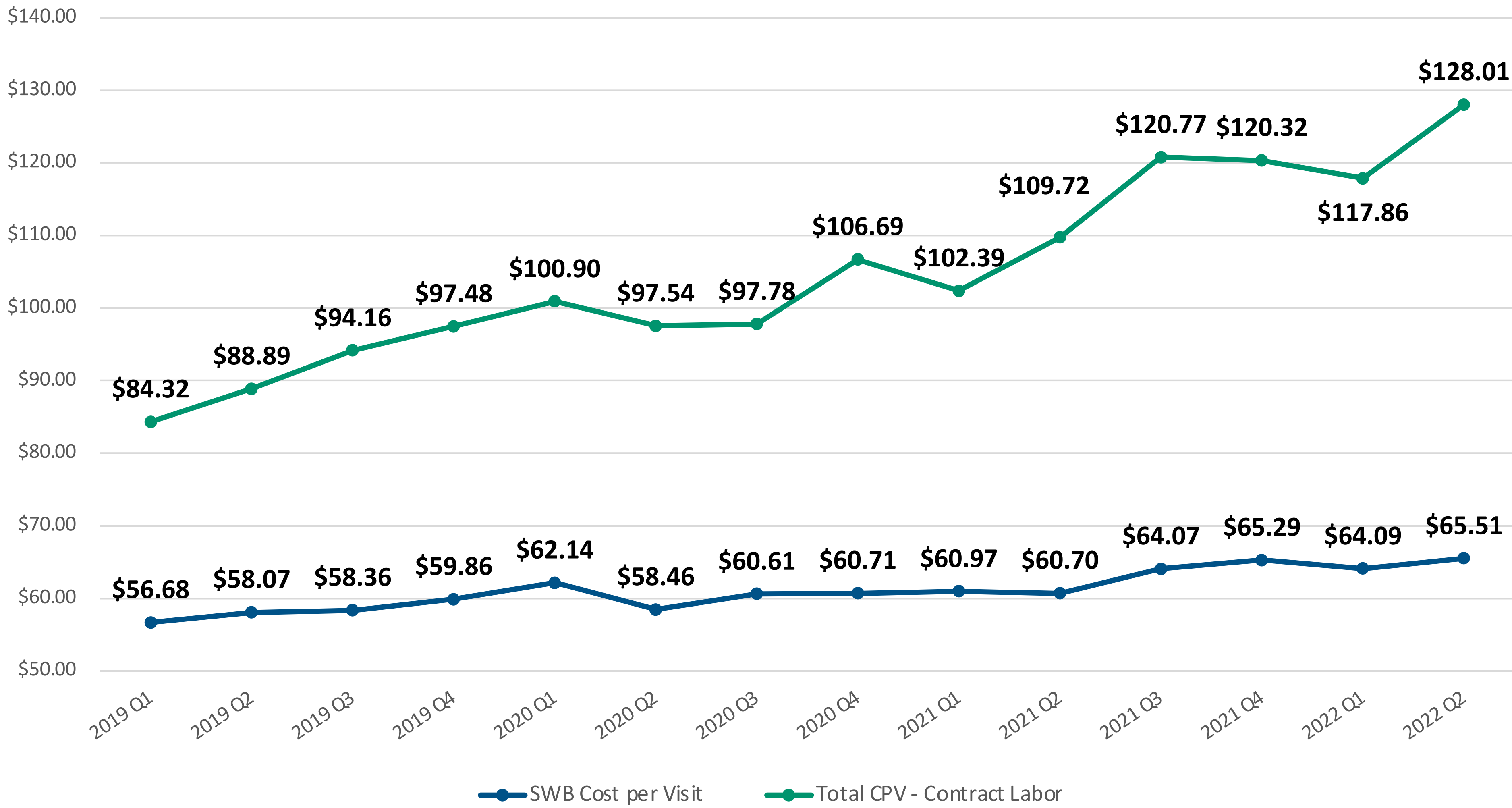
COMMENTARY ON Q2 2022

- Adjusted net income attributable to LHC Group's common stockholders was **$29.8** million, or **$0.98** adjusted earnings per diluted share in Q2 2022.
- Adjusted EBITDA was **$53.0** million in Q2 2022.
- The labor market continues to remain challenging driven by higher wages, sign-on and retention bonuses, increased new hire costs and elevated contract labor utilization and rates. These pressures have not only resulted in significant year-over-year cost increases but have also created capacity constraints in certain markets.
- Due to the challenges faced in the quarter, organic growth in admissions for home health locations decreased **4.3%** for Q2 2022 compared to the same period in 2021.
    - However, with our continued focus on increasing our episodic payer mix, our non-Medicare episodic average daily census increased by 16.7% in Q2 2022 over Q2 2021.
- Despite the challenges faced in the quarter, organic growth in admissions for hospice increased **5.5%** in Q2 2022 compared to the same period in 2021.
- Expenses related to COVID, which are not adjusted out of 2022 EBITDA, were **$4.8** million in Q2 2022 and **$14.0** million for the six months ended June 30, 2022.

COMMENTARY ON Q2 2022 continued

- Labor cost assumption for 2022, inclusive of bonuses, was an increase of 3% to 5% over 2021. This assumed that labor cost would remain flat with Q4 2021 which was 7.7% above Q2 2021.
    - Home Health salaries and wages cost per visit, inclusive of sign-on and retention bonuses, increased **8.1%** in Q2 2022 over Q2 2021 and **1.0%** over Q4 2021.
    - Home Health Contract nursing visits, as a percentage of total nursing visits, was **3.9%** in Q2 2022 compared to **3.8%** in Q4 2021 and **3.3%** in Q1 2022.
    - Hospice salaries and wages cost per visit, inclusive of sign-on and retention bonuses, increased **10.4%** in Q2 2022 over Q2 2021 and decreased **0.2%** from Q4 2021.
    - Hospice Contract nursing visits, as a percentage of total nursing visits, increased to **4.6%** in Q2 2022 from **3.7%** in Q4 2021 and decreased from **4.9%** in Q1 2022.
- Higher mileage reimbursement expense of approximately $5 million annually caused by higher fuel prices.
- We incurred certain one-time costs and expenses in Q2 2022 associated with our efforts to harvest G&A cost savings on a go forward basis. We continue to look at areas where we can further reduce G&A cost.
- We incurred certain one-time costs and expenses in Q2 2022 associated with our efforts to consolidate or close agencies to reduce duplicate G&A without losing service area.

HOME HEALTH LABOR COST PER VISIT



	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
HH contract nursing visits %	1.1%	1.2%	1.1%	1.5%	1.6%	1.9%	2.2%	2.4%	2.6%	3.1%	4.0%	3.8%	3.3%	3.9%
Hospice contract nursing visits %	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.4%	0.3%	0.9%	2.2%	2.9%	3.7%	4.8%	4.6%

INDUSTRY-LEADING QUALITY AND PATIENT SATISFACTION

Quality	October 2022 Preview	July 2022	April 2022
LHC Group	4.28	4.25	4.20
National average		3.25	3.24

Patient Satisfaction	July 2022	April 2022
LHC Group	4.01	3.91
National average	3.72	3.61

Source: Centers for Medicare & Medicaid Services

- 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.

FEDERAL LEGISLATIVE AND REGULATORY UPDATE

- **Choose Home Care Act (HR5514 and S2562)**
  - Gained 12 new co-sponsors in recent months for a total of 42 in the House and 18 in the Senate. This important legislation is a candidate for inclusion in a legislative vehicle this Congress pending a score on budgetary impact by the Congressional Budget Office.
- **Home Health Proposed CY 2023 Rule**
  - On June 17, 2022, CMS proposed to adjust rates for Medicare home health services in 2023 by -7.69%, with a net result after market basket increase and other adjustments, of a -4.2% proposed rate adjustment next year.
  - The home health industry, including LHC Group, acted quickly through its associations and other healthcare partners to propose legislation mitigating this adjustment and engaged CMS by challenging its methodologies proposed in this rule.
  - These efforts resulted in the filing of legislation in Congress on July 25 and July 26 which would freeze for three years the ability of CMS to make behavioral adjustments in home health rates.
  - This legislation, **(S. 4605 and HR8581)**, was filed on a bi-partisan basis with Senator Debbie Stabenow (D-MI) Chair of the Senate Finance Health Subcommittee, in the lead with former Chair of the Aging Committee, Senator Susan Collins (R-ME) as lead co-sponsor, and by House Ways and Means Health Subcommittee member Terry Sewell (D-AL) and Vern Buchanan (R-FL), ranking Republican.
  - The legislation is expected to be considered for inclusion in a legislative vehicle this year and serves as a strong message from Congress to CMS of dissatisfaction with the home health rate proposal.
  - The industry continues to engage CMS on this proposal, will be filing detailed letters of commentary on the rule proposal and is taking other actions to mitigate the rule expected to become final later this year.

2022 CONSOLIDATED RESULTS

2022 ADJUSTED CONSOLIDATED RESULTS

	Three months ended June 30			Six months ended June 30		
	Consolidated	Total Adjustments	Adjusted Consolidated	Consolidated	Total Adjustments	Adjusted Consolidated
Net service revenue	$576,193	$0	$576,193	$1,147,688	$3,984	$1,151,672
Cost of service revenue	353,933	(13,364)	340,569	704,321	(19,298)	685,023
Gross margin	222,260		235,624	443,367		466,649
General and administrative expenses	196,390	(12,027)	184,363	380,749	(19,784)	360,965
Impairment of intangibles and other	842	(842)	0	2,071	(2,071)	0
Operating income	$25,028	$26,233	$51,261	$60,547	$45,137	$105,684
Depreciation	6,106	0	6,106	11,723		11,723
Noncontrolling interests	(4,358)	0	(4,358)	(9,883)		(9,883)
Earnings before interest, tax and depreciation (EBITDA less NCI)	$26,776	$26,233	$53,009	$62,387	$45,137	$107,524
EBITDA less NCI as a percentage of revenue	4.6%		9.2%	5.4%		9.3%

ADJUSTED CONSOLIDATED RESULTS – 2022 VS 2021

	Three months ended June 30,				Six months ended June 30,			
	2022 Adjusted Consolidated	% of rev	2021 Adjusted Consolidated	% of rev	2022 Adjusted Consolidated	% of rev	2021 Adjusted Consolidated	% of rev
Net service revenue	$576,193		$545,907		$1,151,672		$1,070,742	
Cost of service revenue	340,569	59.1%	308,735	56.6%	685,023	59.5%	609,767	56.9%
Gross margin	235,624	40.9%	237,172	43.4%	466,649	40.5%	460,975	43.1%
General and administrative expenses	184,363	32.0%	159,016	29.1%	360,965	31.3%	319,515	29.8%
Operating income	$51,261	8.9%	$78,156	14.3%	$105,684	9.2%	$141,460	13.2%
Depreciation	6,106		4,542		11,723		9,541	
Noncontrolling interests	(4,358)		(9,110)		(9,883)		(15,884)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	$53,009		$73,588		$107,524		$135,117	
EBITDA less NCI as a percentage of revenue	9.2%		13.5%		9.3%		12.6%	

ADJUSTMENTS TO NET INCOME

PRE-TAX ADJUSTMENTS	Q2 2022	Q2 2021	1H 2022	1H 2021
Acquisition, *de novo* and legal expenses (1)	$9,226	$4,708	$13,307	$4,708
Closures/relocations/consolidations (2)	4,101	1,419	6,983	1,596
COVID-19 PPE, supplies and other expenses (3)	-	10,829	-	22,819
ERP implementation (4)	3,332	986	5,619	986
Cost improvement initiatives (5)	8,941	-	13,865	-
Cost report and contract settlements (6)	633	-	5,363	-
Total	**$26,233**	**$12,167**	**$45,137**	**$30,109**

ADJUSTMENTS NET OF TAX	Q2 2022	Q2 2021	1H 2022	1H 2021
Acquisition, *de novo* and legal expenses (1)	$6,771	$3,477	$9,790	$3,477
Closures/relocations/consolidations (2)	3,010	1,048	5,142	1,179
COVID-19 PPE, supplies and other expenses (3)	-	7,999	-	16,851
ERP implementation (4)	2,446	728	4,138	728
Cost improvement initiatives (5)	6,562	-	10,204	-
Cost report and contract settlements (6)	465	-	3,963	-
Total	**$19,254**	**$13,252**	**$33,237**	**$22,235**

**See footnotes on page 15*

ADJUSTMENTS TO NET INCOME *CONTINUED*

ADJUSTMENTS NET OF TAX	Q2 2022	Q2 2021	1H 2022	1H 2021
Acquisition, *de novo* and legal expenses (1)	$0.22	$0.11	$0.32	$0.11
Closures/relocations/consolidations (2)	0.10	0.03	0.17	0.04
COVID-19 PPE, supplies and other expenses (3)	-	0.26	-	0.54
ERP implementation (4)	0.08	0.02	0.14	0.02
Cost improvement initiatives (5)	0.21	-	0.33	-
Cost report and contract settlements (6)	0.02	-	0.13	-
Total	**$ 0.63**	**$0.42**	**$1.09**	**$0.71**

1. Expenses and other costs associated with recently announced or completed acquisitions, *de novos* and the pending acquisition by UnitedHealth Group. ($9.2 million pre-tax in the three months ended June 30, 2022 and $13.3 million pre-tax in the six months ended June 30, 2022; $4.7 million pre-tax in the three and six months ended June 30, 2021).
2. Loss on the sale of an asset and other expenses associated with a closure or consolidation, including impairment ($4.1 million pre-tax in the three months ended June 30, 2022 and $7.0 million in the six months ended June 30, 2022; $1.4 million pre-tax in the three months ended June 30, 2021 and $1.6 million in the six months ended June 30, 2021).
3. COVID-19 related expenses for purchases of personal protective equipment (PPE), supplies and wage adjustments (No adjustments were made in the three months and six months ended June 30, 2022; $10.8 million pre-tax in the three months ended June 30, 2021 and $22.8 million pre-tax in the six months ended June 30, 2021).
4. Expenses and other costs associated with the implementation of an Enterprise Resource Planning software ($3.3 million pre-tax in the three months ended June 30, 2022 and $5.6 million pre-tax in the six months ended June 30, 2022; $1.0 million pre-tax in the three and six months ended June 30, 2021).
5. Expenses associated with cost improvement initiatives implemented in the first and second quarters of 2022, which consisted of contract terminations and general and administrative cost reductions ($8.9 million pre-tax in the three months ended June 30, 2022 and $13.9 million pre-tax in the six months ended June 30, 2022).
6. Expenses associated with a 2004 cost report settlement along with other disputed contract settlements ($0.6 million pre-tax in the three months ended June 30, 2022 and $5.4 million pre-tax in the six months ended June 30, 2022).

SEGMENT RESULTS

THREE MONTHS ENDED JUNE 30, 2022 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	$392,782		$392,782	$102,617		$102,617	$44,718		$44,718
Cost of service revenue	228,511	(8,127)	220,384	67,848	(3,126)	64,722	31,788	(84)	31,704
Gross margin	164,271		172,398	34,769		37,895	12,930		13,014
General and administrative expenses	134,623	(8,500)	126,123	33,423	(1,974)	31,449	12,444	(845)	11,599
Impairments of intangibles and other	481	(481)	0	361	(361)	0	0	0	0
Operating income (loss)	$29,167	$17,108	$46,275	$985	$5,461	$6,446	$486	$929	$1,415
Add back Depreciation	3,345		3,345	1,273		1,273	340		340
Less Noncontrolling interests	(4,324)		(4,324)	(888)		(888)	34		34
Earnings before interest, tax and depreciation (EBITDA less NCI)	$28,188	$17,108	$45,296	$1,370	$5,461	$6,831	$860	$929	$1,789
EBITDA less NCI as a percentage of revenue	7.2%		11.5%	1.3%		6.7%	1.9%		4.0%

	Facility-based services	Adjustments	Adjusted Facility-based services	HCI	Adjustments	Adjusted HCI services
Net service revenue	$30,709		$30,709	$5,367		$5,367
Cost of service revenue	22,830	(1,085)	21,745	2,956	(942)	2,014
Gross margin	7,879		8,964	2,411		3,353
General and administrative expenses	12,211	(565)	11,646	3,689	(143)	3,546
Impairments of intangibles and other	0	0	0	0	0	0
Operating income (loss)	($4,332)	$1,650	($2,682)	($1,278)	$1,085	($193)
Add back Depreciation	904		904	244		244
Less Noncontrolling interests	817		817	3		3
Earnings before interest, tax and depreciation (EBITDA less NCI)	($2,611)	$1,650	($961)	($1,031)	$1,085	$54
EBITDA less NCI as a percentage of revenue	-8.5%		-3.1%	-19.2%		1.0%

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SIX MONTHS ENDED JUNE 30, 2022 ADJUSTED SEGMENT RESULTS

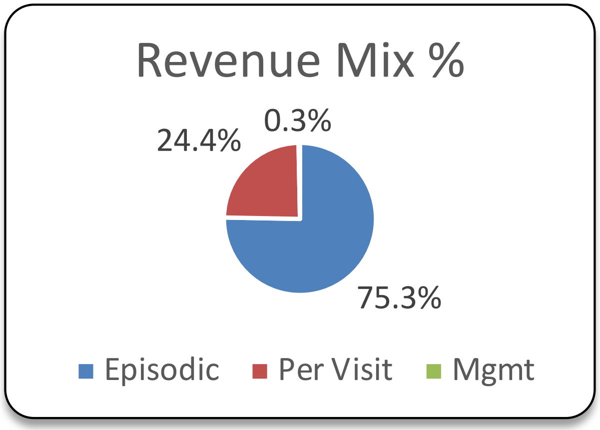
	Home health services	Adjustments	Adjusted Home health services	Hospice services	Adjustments	Adjusted Hospice services	HCBS services	Adjustments	Adjusted HCBS services
Net service revenue	$780,674	$2,081	$782,755	$204,523	$200	$204,723	$89,058	$0	$89,058
Cost of service revenue	$456,718	($13,052)	443,666	$133,913	($3,900)	130,013	$60,743	($205)	60,538
Gross margin	323,956		339,089	70,610		74,710	28,315		28,520
General and administrative expenses	261,430	(13,836)	247,594	64,768	(3,319)	61,449	23,862	(1,474)	22,388
Impairments of intangibles and other	$930	(930)	0	$1,087	(1,087)	0	$54	(54)	0
Operating income (loss)	$61,596	$29,899	$91,495	$4,755	$8,506	$13,261	$4,399	$1,733	$6,132
Add back Depreciation	6,317		6,317	2,507		2,507	617		617
Less Noncontrolling interests	(8,920)		(8,920)	(1,568)		(1,568)	(51)		(51)
Earnings before interest, tax and depreciation (EBITDA less NCI)	$58,993	$29,899	$88,892	$5,694	$8,506	$14,200	$4,965	$1,733	$6,698
EBITDA less NCI as a percentage of revenue	7.6%		11.4%	2.8%		6.9%	5.6%		7.5%

	Facility-based services	Adjustments	Adjusted Facility-based services	HCI	Adjustments	Adjusted HCI services
Net service revenue	$62,848	$1,703	$64,551	$10,585	$0	$10,585
Cost of service revenue	$47,035	($1,199)	45,836	$5,912	($942)	4,970
Gross margin	15,813		18,715	4,673		5,615
General and administrative expenses	23,639	(930)	22,709	7,050	(225)	6,825
Impairments of intangibles and other	$0	0	0	$0	0	0
Operating income (loss)	($7,826)	$3,832	($3,994)	($2,377)	$1,167	($1,210)
Add back Depreciation	1,814		1,814	468		468
Less Noncontrolling interests	646		646	10		10
Earnings before interest, tax and depreciation (EBITDA less NCI)	($5,366)	$3,832	($1,534)	($1,899)	$1,167	($732)
EBITDA less NCI as a percentage of revenue	-8.5%		-2.4%	-17.9%		-6.9%

HOME HEALTH SEGMENT
ADJUSTED SEGMENT RESULTS – 2022 VS 2021

	Three months ended June 30,				Six months ended June 30,			
	2022 Adjusted Home health services	% of rev	2021 Adjusted Home health services	% of rev	2022 Adjusted Home health services	% of rev	2021 Adjusted Home health services	% of rev
Net service revenue	$392,782		$396,534		$782,755		$770,362	
Cost of service revenue	220,384	56.1%	213,807	53.9%	443,666	56.7%	419,552	54.5%
Gross margin	172,398	43.9%	182,727	46.1%	339,089	43.3%	350,810	45.5%
General and administrative expenses	126,123	32.1%	117,413	29.6%	247,594	31.6%	234,680	30.5%
Operating income	$46,275	11.8%	$65,314	16.5%	$91,495	11.7%	$116,130	15.1%
Depreciation	3,345		2,635		6,317		5,571	
Noncontrolling interests	(4,324)		(7,500)		(8,920)		(12,349)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	$45,296		$60,449		$88,892		$109,352	
EBITDA less NCI as a percentage of revenue	11.5%		15.2%		11.4%		14.2%	

- For the three months ended June 30, 2022, Revenue decreased by $3.8 million or 0.9% as compared to Q2 2021. The decrease in revenue is due to a 1.4% decline in average daily census and a return of 1% of sequestration, partially offset by a 0.6% increase in Medicare revenue per episode net of the 1% sequestration return and a 16.7% increase in non-Medicare episodic average daily census.
- For the three months ended June 30, 2022, Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) decreased $15.2 million, or 370 basis points as a percentage of revenue, as compared to Q2 2021. The decrease is primarily due to higher utilization of contract labor, increased clinician wages, sign-on and retention bonuses, increased training and orientation costs, overtime, higher shift premium pay and an increase in mileage and transportation expense. Total labor cost per visit, excluding contract labor, increased 8.1% as compared to Q2 2021.
- Despite the cost headwinds faced in the quarter, EBITDA as a percent of revenue improved sequentially by 30 basis points from 11.2% in Q1 2022 to 11.5% in Q2 2022 as the episodic revenue mix improved from 74.6% of total revenue to 75.3%.
- ***See Home Health same store results on slide 20.***



HOME HEALTH SEGMENT

ADJUSTED SAME STORE SEGMENT RESULTS – 2022 VS 2021

	Three months ended June 30,				Three months ended March 31,	
	2022 Adjusted Same Store Home health services	% of rev	2021 Adjusted Home health services	% of rev	2022 Adjusted Same Store Home health services	% of rev
Net service revenue	$377,804		$396,534		$374,440	
Cost of service revenue	209,808	55.5%	213,807	53.9%	211,591	56.5%
Gross margin	167,996	44.5%	182,727	46.1%	162,849	43.5%
General and administrative expenses	119,919	31.7%	117,413	29.6%	115,605	30.9%
Operating income	$48,077	12.7%	$65,314	16.5%	$47,244	12.6%
Depreciation	2,853		2,635		2,236	
Noncontrolling interests	(4,358)		(7,500)		(4,596)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	$46,572		$60,449		$44,884	
EBITDA less NCI as a percentage of revenue	12.3%		15.2%		12.0%	

- *Same store excludes any Home Health provider that was acquired between July 1, 2021 and June 30, 2022.*

- Despite the cost headwinds faced in the quarter, same store EBITDA as a percent of revenue improved sequentially by 30 basis points from 12.0% in Q1 2022 to 12.3% in Q2 2022 as the episodic revenue mix improved from 75.1% of total revenue to 75.6%.

- Home Health acquired locations' EBITDA in Q2 2022 was negative $1.3 million.

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HOSPICE SEGMENT

ADJUSTED SEGMENT RESULTS – 2022 VS 2021

	Three months ended June 30,				Six months ended June 30,			
	2022 Adjusted Hospice services	% of rev	2021 Adjusted Hospice services	% of rev	2022 Adjusted Hospice services	% of rev	2021 Adjusted Hospice services	% of rev
Net service revenue	$102,617		$63,804		$204,723		$126,538	
Cost of service revenue	64,722	63.1%	38,746	60.7%	130,013	63.5%	76,563	60.5%
Gross margin	37,895	36.9%	25,058	39.3%	74,710	36.5%	49,975	39.5%
General and administrative expenses	31,449	30.6%	17,275	27.1%	61,449	30.0%	35,138	27.8%
Operating income	$6,446	6.3%	$7,783	12.2%	$13,261	6.5%	$14,837	11.7%
Depreciation	1,273		525		2,507		1,077	
Noncontrolling interests	(888)		(1,208)		(1,568)		(2,223)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	$6,831		$7,100		$14,200		$13,691	
EBITDA less NCI as a percentage of revenue	6.7%		11.1%		6.9%		10.8%	

- For the three months ended June 30, 2022, revenue increased $38.8 million. The increase in revenue is due to approximately $36.2 million of inorganic revenue from recent acquisitions and approximately $2.6 million from same store growth offset by 1% of sequestration return.
- For the three months ended June 30, 2022, Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) decreased $0.3 million, or 450 basis points as a percentage of revenue, as compared to Q2 2021. The decrease is primarily due to higher utilization of contract labor, increased clinician wages, sign-on and retention bonuses, increased training and orientation costs, overtime, higher shift premium pay and an increase in mileage and transportation expense. Total labor cost per patient day, excluding contract labor, increased 10.4% as compared to Q2 2021.
- ***See Hospice same store results on slide 22.***

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HOSPICE SEGMENT

ADJUSTED SAME STORE RESULTS – 2022 VS 2021

	Three months ended June 30,				Three months ended March 31,	
	2022 Adjusted Same Store Hospice services	% of rev	2021 Adjusted Hospice services	% of rev	2022 Adjusted Same Store Hospice services	% of rev
Net service revenue	$66,707		$63,804		$62,752	
Cost of service revenue	38,464	57.7%	38,746	60.7%	39,022	62.2%
Gross margin	28,243	42.3%	25,058	39.3%	23,730	37.8%
General and administrative expenses	19,632	29.4%	17,275	27.1%	18,311	29.2%
Operating income	$8,611	12.9%	$7,783	12.2%	$5,419	8.6%
Depreciation	672		525		484	
Noncontrolling interests	(888)		(1,208)		(680)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	$8,395		$7,100		$5,223	
EBITDA less NCI as a percentage of revenue	12.6%		11.1%		8.3%	

- *Same store excludes any Hospice provider that was acquired between July 1, 2021 and June 30, 2022.*
- For the three months ended June 30, 2022, Same Store EBITDA increased $1.4 million, or 150 basis points as a percentage of revenue, as compared to Q2 2021.
- Despite the cost headwinds faced in the quarter, same store EBITDA as a percent of revenue improved sequentially by 430 basis points from 8.3% in Q1 2022 to 12.6% in Q2 2022.
- Hospice acquired locations' EBITDA in Q2 2022 was negative $1.6 million.
- All acquired locations are scheduled to be integrated into our systems and operating model by year end.

HOME AND COMMUNITY BASED SERVICES SEGMENT

ADJUSTED SEGMENT RESULTS – 2022 VS 2021

	Three months ended June 30,				Six months ended June 30,			
	2022 Adjusted HCBS services	% of rev	2021 Adjusted HCBS services	% of rev	2022 Adjusted HCBS services	% of rev	2021 Adjusted HCBS services	% of rev
Net service revenue	$44,718		$48,407		$89,058		$97,532	
Cost of service revenue	31,704	70.9%	34,044	70.3%	60,538	68.0%	68,491	70.2%
Gross margin	13,014	29.1%	14,363	29.7%	28,520	32.0%	29,041	29.8%
General and administrative expenses	11,599	25.9%	11,173	23.1%	22,388	25.1%	22,500	23.1%
Operating income	$1,415	3.2%	$3,190	6.6%	$6,132	6.9%	$6,541	6.7%
Depreciation	340		375		617		771	
Noncontrolling interests	34		(85)		(51)		(364)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	$1,789		$3,480		$6,698		$6,948	
EBITDA less NCI as a percentage of revenue	4.0%		7.2%		7.5%		7.1%	

- For the three months ended June 30, 2022, revenue decreased $3.7 million compared to Q2 2021 and EBITDA decreased $1.7 million, or 320 basis points as a percentage of revenue, as compared to Q2 2021. The decrease in revenue and EBITDA is due to a 9.8% decline in billable hours owing to ongoing staffing constraints due to the COVID-19 pandemic partially offset by a 5.2% rate improvement.

FACILITY-BASED SERVICES SEGMENT

ADJUSTED SEGMENT RESULTS – 2022 VS 2021

	Three months ended June 30,				Six months ended June 30,			
	2022 Adjusted Facility-based services	% of rev	2021 Adjusted Facility-based services	% of rev	2022 Adjusted Facility-based services	% of rev	2021 Adjusted Facility-based services	% of rev
Net service revenue	$30,709		$31,030		$64,551		$64,399	
Cost of service revenue	21,745	70.8%	19,041	61.4%	45,836	71.0%	38,828	60.3%
Gross margin	8,964	29.2%	11,989	38.6%	18,715	29.0%	25,571	39.7%
General and administrative expenses	11,646	37.9%	10,360	33.4%	22,709	35.2%	21,483	33.4%
Operating income	($2,682)	-8.7%	$1,629	5.2%	($3,994)	-6.2%	$4,088	6.3%
Depreciation	904		787		1,814		1,628	
Noncontrolling interests	817		(322)		646		(979)	
Earnings before interest, tax and depreciation (EBITDA less NCI)	($961)		$2,094		($1,534)		$4,737	
EBITDA less NCI as a percentage of revenue	-3.1%		6.7%		-2.4%		7.4%	

- For the three months ended June 30, 2022, revenue decreased by $0.3 million compared to Q2 2021. The decrease in revenue was caused by a 15.3% reduction in LTACH revenue, largely offset by higher Therapy revenue acquired as part of the HCA/Brookdale transaction. The LTACH revenue decline is attributed to a 13.1% decrease in patient days along with a decrease in revenue per patient day of 2.5%, which was partially caused by the return of 1% of Medicare sequestration in Q2 2022.

- For the three months ended June 30, 2022, Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) decreased $3.1 million as compared to Q2 2021, driven by LTACH performance. The lower level of LTACH revenue, coupled with labor cost pressures, resulted in lower LTACH Gross Margin and EBITDA.

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HEALTH CARE INNOVATIONS SEGMENT

ADJUSTED SEGMENT RESULTS – 2022 VS 2021

	Three months ended June 30,				Six months ended June 30,			
	2022 Adjusted HCI services	% of rev	2021 Adjusted HCI services	% of rev	2022 Adjusted HCI services	% of rev	2021 Adjusted HCI services	% of rev
Net service revenue	$5,367		$6,132		$10,585		$11,911	
Cost of service revenue	2,014	37.5%	3,097	50.5%	4,970	47.0%	6,333	53.2%
Gross margin	3,353	62.5%	3,035	49.5%	5,615	53.0%	5,578	46.8%
General and administrative expenses	3,546	66.1%	2,795	45.6%	6,825	64.5%	5,714	48.0%
Operating income	($193)	-3.6%	$240	3.9%	($1,210)	-11.4%	($136)	-1.1%
Depreciation	244		220		468		494	
Noncontrolling interests	3		5		10		31	
Earnings before interest, tax and depreciation (EBITDA less NCI)	$54		$465		($732)		$389	
EBITDA less NCI as a percentage of revenue	1.0%		7.6%		-6.9%		3.3%	

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APPENDIX

NON-GAAP RECONCILIATIONS *(AMOUNTS IN THOUSANDS, UNAUDITED)*

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO LHC GROUP	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Net income attributable to LHC Group, Inc.'s common stockholders	$ 10,584	$ 37,643	$ 30,038	$ 72,302
Add (net of tax):				
Acquisition, *de novo* and legal expenses (1)	6,771	3,477	9,790	3,477
Closures/relocations/consolidations (2)	3,010	1,048	5,142	1,179
COVID-19 PPE, supplies and other expenses (3)	-	7,999	-	16,851
ERP implementation (4)	2,446	728	4,138	728
Cost improvement initiatives (5)	6,562	-	10,204	-
Cost report and contract settlements (6)	465	-	3,963	-
Adjusted net income attributable to LHC Group, Inc.'s common stockholders	$ 29,838	$ 50,895	$ 63,275	$ 94,537

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO LHC GROUP PER DILUTED SHARE	Three Months Ended Mar. 31, 2022	Three Months Ended Mar. 31, 2021	Six Months Ended June 30,	Six Months Ended June 30,
Net income attributable to LHC Group, Inc.'s common stockholders	$ 0.35	$ 1.20	$ 0.98	$ 2.30
Add (net of tax):				
Acquisition, *de novo* and legal expenses (1)	0.22	0.11	0.32	0.11
Closures/relocations/consolidations (2)	0.10	0.03	0.17	0.04
COVID-19 PPE, supplies and other expenses (3)	-	0.26	-	0.54
ERP implementation (4)	0.08	0.02	0.14	0.02
Cost improvement initiatives (5)	0.21	-	0.33	-
Cost report and contract settlements (6)	0.02	-	0.13	-
Adjusted net income attributable to LHC Group, Inc.'s common stockholders	$ 0.98	$ 1.62	$ 2.07	$ 3.01

*Footnotes are on page 28

NON-GAAP RECONCILIATIONS *(AMOUNTS IN THOUSANDS, UNAUDITED)*

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

	Three Months Ended Mar. 31, 2022	Three Months Ended Mar. 31, 2021	Six Months Ended June 30,	Six Months Ended June 30,
Net income	$ 10,584	$ 37,643	$ 30,038	$ 72,302
Add:				
Income tax expense	3,679	13,318	10,048	22,759
Interest expense, net	6,407	143	10,578	406
Depreciation and amortization	6,106	4,542	11,723	9,541
Adjustment items (*)	26,233	17,942	45,137	30,109
Adjusted EBITDA	**$ 53,009**	**$ 73,588**	**$ 107,524**	**$ 135,117**
(*) Adjustment items (pre-tax):				
Acquisition, *de novo* and legal expenses (1)	$ 9,226	$ 4,708	$ 13,307	$ 4,708
Closures/relocations/consolidations (2)	4,101	1,419	6,983	1,596
COVID-19 PPE, supplies and other expenses (3)	-	10,829	-	22,819
ERP implementation (4)	3,332	986	5,619	986
Cost improvement initiatives (5)	8,941	-	13,865	-
Cost report and contract settlements (6)	633	-	5,363	-
Total adjustments	**$ 26,233**	**$ 17,942**	**$ 45,137**	**$ 30,109**

1. Expenses and other costs associated with recently announced or completed acquisitions, *de novos* and the pending acquisition by UnitedHealth Group. ($9.2 million pre-tax in the three months ended June 30, 2022 and $13.3 million pre-tax in the six months ended June 30, 2022; $4.7 million pre-tax in the three and six months ended June 30, 2021).
2. Loss on the sale of an asset and other expenses associated with a closure or consolidation, including impairment ($4.1 million pre-tax in the three months ended June 30, 2022 and $7.0 million in the six months ended June 30, 2022; $1.4 million pre-tax in the three months ended June 30, 2021 and $1.6 million in the six months ended June 30, 2021).
3. COVID-19 related expenses for purchases of personal protective equipment (PPE), supplies and wage adjustments (No adjustments were made in the three months and six months ended June 30, 2022; $10.8 million pre-tax in the three months ended June 30, 2021 and $22.8 million pre-tax in the six months ended June 30, 2021).
4. Expenses and other costs associated with the implementation of an Enterprise Resource Planning software ($3.3 million pre-tax in the three months ended June 30, 2022 and $5.6 million pre-tax in the six months ended June 30, 2022; $1.0 million pre-tax in the three and six months ended June 30, 2021).
5. Expenses associated with cost improvement initiatives implemented in the first and second quarters of 2022, which consisted of contract terminations and general and administrative cost reductions ($8.9 million pre-tax in the three months ended June 30, 2022 and $13.9 million pre-tax in the six months ended June 30, 2022).
6. Expenses associated with a 2004 cost report settlement along with other disputed contract settlements ($0.6 million pre-tax in the three months ended June 30, 2022 and $5.4 million pre-tax in the six months ended June 30, 2022).

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