

## WATER STREET

### **For Immediate Release**

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### **WATER STREET HEALTHCARE PARTNERS COMPLETES AGREEMENT WITH GENTIVA HEALTH SERVICES TO ACQUIRE MAJORITY OWNERSHIP OF CARECENTRIX**

#### **Private Equity Firm Recruits Industry Leaders to Spearhead and Expand Home Health Care Services Business**

CHICAGO – September 25, 2008 – Water Street Healthcare Partners, a leading private equity firm focused exclusively on the health care industry, announced today that it has completed its agreement with Gentiva Health Services, Inc. (NASDAQ: GTIV) to acquire a controlling interest in CareCentrix. The firm also announced that it has recruited Eric Reimer to serve as chief executive officer of CareCentrix, and Steve Shulman and Steve Cosler to join the board of directors. Together, they will focus on repositioning and expanding CareCentrix, the nation's largest coordinator of home health care services for managed care organizations.

Eric Reimer, 39, most recently led strategic development for Magellan Health Services, Inc. (NASDAQ: MGLN). He spearheaded the company's acquisition of National Imaging Associates, where he assumed the CEO position and transformed the \$50 million business into a full-service radiology benefits management firm, generating \$300 million in annualized revenue. Mr. Reimer also was instrumental in Magellan's acquisition of ICORE Healthcare, a specialty pharmaceutical business. During his five years with Magellan, Mr. Reimer managed and collaborated with the nation's largest health care plans. Prior to Magellan, Mr. Reimer held executive positions with CIGNA Health Services and Prudential Healthcare. He also worked with Boston Consulting Group, after receiving his master's degree in business administration from the Wharton School of the University of Pennsylvania.

“Water Street has focused on finding platforms in specialty benefits management since we identified payer services as an attractive investment segment three years ago,” said Ned Villers, a partner with Water Street and leader of the firm’s payer services initiative. “During this time, we’ve met with many impressive executives, but Eric stands out as an exceptional leader and the perfect fit for CareCentrix. His direct experience, strategic insight and strong track record of building market-leadership companies make him the ideal CEO for CareCentrix. We are confident that Eric will help the company execute the many growth opportunities that exist in home health care.”

Established in 1996, CareCentrix manages home nursing, infusion and medical equipment services for more than 10 million people across the country through a network of 4,000 credentialed home care providers. With the average cost of a home health care visit substantially less than the daily cost of care received in a hospital or skilled nursing facility, home health care has the potential to save patients and payers millions of dollars on an annual basis. The multi-billion dollar industry is projected to experience significant growth over the next 10 years, as U.S. demographics continue to shift to an older population and pressure to reduce health care costs intensifies.

“I am very excited to join CareCentrix at this important point in the company’s and industry’s evolution,” said Reimer. “The CareCentrix team has done an outstanding job of building the nation’s most comprehensive home health care management program. The company is now ideally positioned to support managed care organizations that are increasingly searching for new ways to manage costs. Our intention is to build on CareCentrix’s strong foundation to transform it into a strategic leader that is proactively helping payers reduce their overall medical spend and achieve better patient outcomes.”

### **Steve Shulman and Steve Cosler Join Board of Directors**

To support CareCentrix’s plans for expansion, Water Street has recruited Steve Shulman and Steve Cosler to serve on the board of directors.

A highly regarded leader in the health care industry, Mr. Shulman is perhaps best known for leading Magellan’s successful turnaround from bankruptcy to the nation’s foremost specialty health care management company. He also led Prudential Healthcare through a major transformation, culminating in its sale to Aetna, while serving as the company’s chairman,

president and CEO. Joining Mr. Shulman on the board is Steve Cosler, who is an operating partner with Water Street and the former CEO of Priority Healthcare, a leading specialty pharmacy company. Executives from Gentiva Health Services and Water Street also will serve on the board.

“We have assembled an exceptional group of leaders with unparalleled expertise in payer services to serve on the board of CareCentrix,” said Villers. “Their collective experience and industry network will be invaluable to CareCentrix’s management team, as we expand the company’s value proposition and pursue new relationships with the nation’s largest payers.”

### **About CareCentrix**

CareCentrix is the nation’s largest coordinator of home health care services for managed care organizations. The company manages home nursing, infusion and medical equipment services for more than 10 million members of managed care organizations across the country through a network of 4,000 credentialed home care providers. Established in 1996, CareCentrix is headquartered in Hartford, Connecticut. For more information about CareCentrix, visit [www.carecentrix.com](http://www.carecentrix.com).

### **About Water Street Healthcare Partners**

Water Street Healthcare Partners is a leading private equity firm focused exclusively on health care. With more than \$1 billion of capital under management, Water Street is one of the most active investors in the health care industry. The firm has a strong track record of building market-leadership companies across key growth sectors in health care. It has partnered with some of the world’s leading health care companies on its investments, including: Johnson & Johnson, Medtronic and Smith & Nephew. Water Street’s team is comprised of industry executives and private equity professionals with decades of experience investing in and operating global health care businesses. The firm is headquartered in Chicago. For more information about Water Street, visit [www.wshp.com](http://www.wshp.com).

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