

Amedisys 2Q profit slips, and cuts 2010 forecasts

The Associated Press

Home health provider Amedisys Inc. said Monday its profit fell 8 percent in the second quarter, and it cut its profit and revenue estimates for the year.

CEO William Borne said the results did not meet Amedisys' expectations. The company's profit declined to \$32.2 million, or \$1.13 per share, from \$35.1 million, or \$1.27 per share a year ago. Its revenue rose 12 percent to \$422.3 million from \$377.9 million.

Analysts expected a profit of \$1.15 per share and revenue of \$421.3 million, according to Thomson Reuters.

Despite the smaller profit and reduced outlook, shares of Amedisys jumped \$2.44, or 9.1 percent, to \$29.23 in morning trading.

The company is running more home health and hospice agencies than it did a year ago and it visited more patients. But Amedisys said fewer patients were recertified by Medicare and other insurance carriers — meaning after their initial coverage expired, fewer patients were approved for additional care.

Visits rose 6 percent to 2.3 million, but internal episodic recertification fell 9 percent, the company said.

Amedisys is now forecasting an annual profit of \$4.20 to \$4.50 per share and \$1.63 billion to \$1.65 billion in service revenue. In April the company forecast a profit of \$5.50 to \$5.70 per share and revenue of \$1.7 billion to \$1.75 billion.

Analysts expect \$4.71 per share and \$1.69 billion in revenue, on average.

The company also said its board approved a \$60 million stock buyback.

Amedisys is one of four home health companies that are being investigated by the federal government, the Securities and Exchange Commission, and the Senate Finance Committee. The companies — Amedisys, LHC Group Inc., Gentiva Health Services Inc., and Almost Family Inc. — all say they are cooperating with the inquiries.

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