



## **U.S. Physical Therapy Responds to Heavy Trading Activity**

HOUSTON--(BUSINESS WIRE)--Aug. 27, 2002--U.S. Physical Therapy, Inc. (Nasdaq National Market:USPH - News) announced it believes the heavy trading activity in its stock today appears to have been related to an announcement by HEALTHSOUTH Corp. that, among other matters, discussed Medicare payment policies for group therapy.

The Company does not believe that the recently published pronouncement relating to group therapy billing will have a material adverse effect on the Company's current or future operating results. U.S. Physical Therapy has in the past and continues to operate clinics using a treatment model based on individualized patient care. The Company has no reason to believe that its practices are not consistent with Medicare policy. The Company regularly reviews Medicare regulations and policies as well as its own practices and, if necessary, will modify its operations and billing practices to changes in Medicare regulations and policies. Currently, Medicare makes up approximately 20% of the Company's total patient visits.

The Company does not issue earnings guidance; however, it reaffirms its positive outlook for the remainder of the year.

About U.S. Physical Therapy, Inc.

Founded in 1990, U.S. Physical Therapy, Inc. operates 176 outpatient physical and/or occupational therapy clinics in 31 states and manages six PT facilities for third parties. The Company's clinics provide post-operative care for a variety of orthopedic-related disorders and sports-related injuries, treatment for neurologically-related injuries, rehabilitation of injured workers and preventative care. In addition to owning and operating clinics, the Company manages several physical therapy facilities for third parties, including physician groups. U.S. Physical Therapy is included on the Russell 2000 and Russell 3000 Indexes. More information is available at [www.usphysicaltherapy.com](http://www.usphysicaltherapy.com).

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