



Pennant Announces Agreement to Form Home Health Joint Venture

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EAGLE, Idaho, Feb. 27, 2020 (GLOBE NEWSWIRE) -- The Pennant Group, Inc. (NASDAQ: PNTG), the parent company of the Pennant group of affiliated home health, hospice and senior living companies, announced today that a subsidiary of Cornerstone Healthcare, Inc., its home health and hospice portfolio company, has entered into an agreement to form a home health joint venture with Scripps Health, a leading nonprofit integrated health system based in San Diego, California. The finalization of the joint venture is subject to customary closing conditions and is expected to occur in the third quarter of 2020.

Following the closing of the transaction, the joint venture will be managed by a Cornerstone affiliate and will provide home health services to patients throughout San Diego County and surrounding areas. As the parties begin the integration process, from now until closing, a Cornerstone affiliate will work with Scripps Home Health in preparation for the joint venture.

"While we have operated successfully in the San Diego market for a number of years, we are thrilled to partner with Scripps to expand our collective capabilities to provide exceptional home health services to the residents of San Diego," said Daniel Walker, Pennant's Chief Executive Officer and President. He added, "As the post-acute landscape continues to shift and we see a stronger trend toward value-based payment reimbursement models, it is critical that we work closely with integrated health systems like Scripps to help patients and their families navigate the various care settings in the post-acute care continuum." Mr. Walker continued, "When you also consider the network of Ensign-affiliated skilled nursing facilities in San Diego with which we have partnered through the Ensign Pennant Care Continuum, we believe this joint venture will accelerate the ability of both parties to provide collaborative, unique solutions to the community."

"We are excited to combine the considerable expertise of Scripps with our talented local leaders," said Brent Guerisoli, President of Cornerstone. "Our collaboration with Scripps will create broad platforms from which we will be able to improve the lives of patients in the San Diego market. Scripps is a world-class healthcare system dedicated to providing the highest quality of care, and their decision to team up with Pennant is an honor and testament to our unique operating model built on empowering and equipping local leaders with the tools needed to transform their healthcare communities."

"As healthcare continues to change nationally and in San Diego, we believe home care and monitoring will play an even greater role in our patients' overall care," said Chris Van Gorder, President and CEO of Scripps Health. "This partnership will help us evolve to best meet that growing need and continue Scripps' 35-year legacy of home health care."

Pennant will continue to pursue opportunities for growth in the home health, hospice and senior living industries, targeting strategic and underperforming operations of all sizes.

About Pennant

The Pennant Group, Inc. is a holding company of independent operating subsidiaries that provide healthcare services through 64 home health and hospice agencies and 52 senior living communities located throughout Arizona, California, Colorado, Idaho, Iowa, Nevada, Oklahoma, Oregon, Texas, Utah, Washington, Wisconsin and Wyoming. Each of these businesses is operated by a separate, independent operating subsidiary that has its own management, employees and assets. References herein to the consolidated "company" and "its" assets and activities, as well as the use of the terms "we," "us," "its" and similar verbiage, are not meant to imply that The Pennant Group, Inc. has direct operating assets, employees or revenue, or that any of the home health and hospice businesses, senior living communities or the Service Center are operated by the same entity. More information about Pennant is available at <http://www.pennantgroup.com>.

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