

NEWS

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4716 Old Gettysburg Road
Mechanicsburg, PA 17055

Select Medical Corporation Announces Government's Decision Not to Intervene in Qui Tam Lawsuit

MECHANICSBURG, PENNSYLVANIA - - September 23, 2002 - - Select Medical Corporation (NYSE: SEM) today announced that the United States Attorney for the Eastern District of Pennsylvania, acting on behalf of the United States of America, has notified the United States District Court for the Eastern District of Pennsylvania of its decision not to intervene in the case of United States of America ex rel. Saul R. Epstein v. Select Medical Corporation, et al. The subject lawsuit was initially filed on August 10, 1998 against NovaCare, Inc. (now known as NAHC, Inc.), other named defendants and 100 defendants who were to be named at a later time. The allegations involve, among other things, the distinction between individual and group billing in physical rehabilitation clinics.

Select Medical Corporation is a leading operator of long-term acute care hospitals in the United States. Select operates 68 specialty acute care hospitals in 22 states. Select is also a leading operator of outpatient rehabilitation clinics in the United States and Canada. Select operates approximately 740 outpatient rehabilitation clinics in the United States and Canada. Information about Select is available at www.selectmedicalcorp.com.

Investor inquiries:

Joel Veit, 717/972-1101
ir@selectmedicalcorp.com