

SELECT MEDICAL HOLDINGS CORP
Form 10-Q
November 03, 2016
[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended September 30, 2016

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period From to .

Commission File Number: 001 34465 and 001 31441

SELECT MEDICAL HOLDINGS CORPORATION

SELECT MEDICAL CORPORATION

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(Exact name of Registrant as specified in its charter)

Delaware
Delaware
(State or other jurisdiction of
incorporation or organization)

20-1764048
23-2872718
(I.R.S. employer identification
number)

4714 Gettysburg Road, P.O. Box 2034, Mechanicsburg, Pennsylvania 17055

(Address of principal executive offices and zip code)

(717) 972-1100

(Registrants telephone number, including area code)

Indicate by check mark whether the Registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods as such Registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the Registrants have submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrants were required to submit and post such files). YES NO

Indicate by check mark whether the registrant, Select Medical Holdings Corporation, is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant, Select Medical Corporation, is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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Indicate by check mark whether the Registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act). YES NO

As of October 31, 2016, Select Medical Holdings Corporation had outstanding 132,329,220 shares of common stock.

This Form 10-Q is a combined quarterly report being filed separately by two Registrants: Select Medical Holdings Corporation and Select Medical Corporation. Unless the context indicates otherwise, any reference in this report to Holdings refers to Select Medical Holdings Corporation and any reference to Select refers to Select Medical Corporation, the wholly owned operating subsidiary of Holdings, and any of Select's subsidiaries. Any reference to Concentra refers to Concentra Inc., the indirect operating subsidiary of Concentra Group Holdings, LLC (Group Holdings), and its subsidiaries. References to the Company, we, us and our refer collectively to Holdings, Select, and Group Holdings and its subsidiaries.

Table of Contents

TABLE OF CONTENTS

<u>PART I</u>	<u>FINANCIAL INFORMATION</u>	3
<u>ITEM 1.</u>	<u>CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>	
	<u>Condensed consolidated balance sheets</u>	3
	<u>Condensed consolidated statements of operations</u>	4
	<u>Condensed consolidated statements of changes in equity and income</u>	6
	<u>Condensed consolidated statements of cash flows</u>	7
	<u>Notes to condensed consolidated financial statements</u>	8
<u>ITEM 2.</u>	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	34
<u>ITEM 3.</u>	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	61
<u>ITEM 4.</u>	<u>CONTROLS AND PROCEDURES</u>	62
<u>PART II</u>	<u>OTHER INFORMATION</u>	63
<u>ITEM 1.</u>	<u>LEGAL PROCEEDINGS</u>	63
<u>ITEM 1A.</u>	<u>RISK FACTORS</u>	65
<u>ITEM 2.</u>	<u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	65
<u>ITEM 3.</u>	<u>DEFAULTS UPON SENIOR SECURITIES</u>	66
<u>ITEM 4.</u>	<u>MINE SAFETY DISCLOSURES</u>	66
<u>ITEM 5.</u>	<u>OTHER INFORMATION</u>	66
<u>ITEM 6.</u>	<u>EXHIBITS</u>	66
<u>SIGNATURES</u>		

Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****Condensed Consolidated Balance Sheets**

(unaudited)

(in thousands, except share and per share amounts)

	Select Medical Holdings Corporation		Select Medical Corporation	
	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 14,435	\$ 68,223	\$ 14,435	\$ 68,223
Accounts receivable, net of allowance for doubtful accounts of \$61,133 and \$61,084 at 2015 and 2016, respectively	603,558	592,711	603,558	592,711
Current deferred tax asset	28,688	50,647	28,688	50,647
Prepaid income taxes	16,694	11,474	16,694	11,474
Other current assets	85,779	82,680	85,779	82,680
Total Current Assets	749,154	805,735	749,154	805,735
Property and equipment, net	864,124	863,485	864,124	863,485
Goodwill	2,314,624	2,674,623	2,314,624	2,674,623
Other identifiable intangibles, net	318,675	338,220	318,675	338,220
Other assets	142,101	163,342	142,101	163,342
Total Assets	\$ 4,388,678	\$ 4,845,405	\$ 4,388,678	\$ 4,845,405
Current Liabilities:				
Bank overdrafts	\$ 28,615	\$ 20,151	\$ 28,615	\$ 20,151
Current portion of long-term debt and notes payable	225,166	12,690	225,166	12,690
Accounts payable	137,409	114,181	137,409	114,181
Accrued payroll	120,989	138,090	120,989	138,090
Accrued vacation	73,977	78,776	73,977	78,776
Accrued interest	9,401	32,964	9,401	32,964
Accrued other	133,728	142,431	133,728	142,431
Due to third party payors		11,065		11,065
Total Current Liabilities	729,285			