Risk Factors Comparison 2025-02-25 to 2024-02-27 Form: 10-K

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Risks Related to our Growth Strategy Our growth strategy depends on our ability to manage growing and effectively integrating operations and we may not be successful in managing this growth. Our business plan calls for significant growth ~~in business~~ over the next several years through the expansion of our services in existing markets and the potential establishment of a presence in new markets. This growth has placed and continues to place significant demands on our management team, systems, internal controls and financial and professional resources. ~~In addition, we will need~~ **Meeting our growth plans requires us** to ~~further~~ **continue to** develop our financial ~~controls~~ **control** and reporting ~~systems~~ **system and** ~~to accommodate our growth. This~~ could require us to incur expenses for hiring additional qualified personnel, retaining professionals to assist in developing the appropriate control systems and expanding our information technology infrastructure. Our inability to effectively manage growth could have a material adverse effect on our financial results. ~~Previously completed~~ **Completed** or future acquisitions, or growth initiatives, may be unsuccessful and could expose us to unforeseen liabilities. Our growth strategy includes potential geographical expansion into new markets and the addition of new services in existing markets through the acquisition of local service providers. These acquisitions involve significant risks and uncertainties, including difficulties assimilating acquired personnel and other corporate cultures into our business, the potential loss of key employees or consumers of acquired providers, regulatory risks, the assumption of liabilities, exposure to unforeseen liabilities of acquired providers ~~,~~ and the diversion of the management team' s attention. In addition, our due diligence review of acquired businesses may not successfully identify all potential issues. Further, following completion of an acquisition, we may not be able to maintain the growth rate, levels of revenue, earnings or operating efficiency that we and the acquired business have achieved or might achieve separately. The failure to effectively integrate future acquisitions could have a material adverse impact on our operations. We have grown our business opportunistically through de novo offices and we may in the future selectively open new offices in existing and new states. De novo offices involve risks, including those relating to licensing, accreditation, ~~and~~ payor program enrollment, hiring new personnel, establishing relationships with referral sources and delays or difficulty in installing our operating and information systems. We may not be successful in generating sufficient business activity to sustain the operating costs of such de novo operations. We may be unable to pursue acquisitions or expand into new geographic regions without obtaining additional capital or consent from our lenders. At December 31, **2024 and** 2023 ~~and 2022~~, we had cash balances of $ **98. 9 million and $** 64. 8 million **, respectively,** and $ ~~80~~ **223** . 0 million ~~, respectively,~~ and $ 126. 4 ~~million and $ 134. 9~~ million, respectively, of outstanding debt on our credit facility. After giving effect to the amount drawn on our credit facility, approximately $ 8. 0 million ~~and $ 8. 2 million~~ of outstanding letters of credit at **each of** December 31, **2024 and** 2023 ~~and 2022, respectively~~, and borrowing limits based on an advanced multiple of Adjusted EBITDA (as defined in the Credit Agreement), we had $ ~~335~~ **346** . 6 million and $ ~~237~~ **335** . ~~2~~ **6** million available for borrowing under our credit facility as of December 31, **2024 and** 2023 ~~and 2022~~, respectively. Since our credit facility provides for borrowings based on a multiple of an Adjusted EBITDA ratio, any declines in our Adjusted EBITDA would result in a decrease in our available borrowings under our credit facility. We cannot predict the timing, size and success of our acquisition efforts, our efforts to expand into new geographic regions or the associated capital commitments. If we do not have sufficient cash resources or availability under our credit facility, our growth could be limited unless we obtain additional equity or debt financing. In the future, we may elect to issue additional equity securities in conjunction with raising capital, completing an acquisition or expanding into a new geographic region. Such issuances could be dilutive to existing shareholders. In addition, our ability under our credit facility to consummate acquisitions is restricted if we exceed certain Total Net Leverage Ratio (as defined in the Credit Agreement, and subject to adjustments as provided therein) thresholds, without the consent of the lenders; provided, however, in certain circumstances, in connection with a Material Acquisition (as defined in the Credit Agreement), we can elect to increase our Total Net Leverage Ratio compliance covenant for the then current fiscal quarter and the three succeeding fiscal quarters. Further, our credit facility requires, among other things, that we are in pro forma compliance with the financial covenants set forth therein and that no event of default exists before and after giving effect to any proposed acquisition. Our ability to expand in a manner consistent with historic practices may be limited if we are unable to obtain such consent from our lenders. Business Risks Our financial results have been, and may continue to be, adversely impacted by negative macroeconomic conditions. Economic conditions in the United States continue to be challenging in ~~various~~ **certain** respects, **including as a result of** ~~and the United States economy continues to experience significant~~ inflationary pressures, elevated interest rates, challenging labor market conditions ~~,~~ **and** potential adverse effects associated with current geopolitical conditions. Taking into account these factors, we have incurred, and may continue to incur, increased competition for new caregivers and skilled healthcare staff, which will continue to impact our ability to attract and retain new employees. Further, the inflationary conditions have resulted in, and may continue to result in, increased operating costs, particularly as the result of increased wages we have paid and may continue to pay our caregivers and other personnel and our ability to attract and retain personnel. ~~Our ability~~ **We might not be able** to realize rate increases from government programs and private payors, which represent most of our revenue, ~~might~~ **and any rate increases obtained may not** be ~~limited despite inflation~~ **sufficient to offset increases to operating expenses** . Higher interest rates also raise our financing costs. These factors had an unfavorable impact on our financial results during the year ended December 31, ~~2023~~ **2024** , and may have an unfavorable impact on our financial results in future periods which could be material. **If economic conditions in the United States significantly deteriorate, any such developments could materially and adversely affect our results of operations, financial position, and / or our cash flows. Negative macroeconomic conditions could also disrupt**

financial markets and capital markets and the businesses of financial institutions, potentially causing a slowdown in the decision- making of these institutions. This may affect the timing on which we may obtain any additional funding and there can be no assurance that we will be able to raise additional funds on terms acceptable to us, if at all. Moreover, **there is ongoing uncertainty regarding the federal budget and federal spending levels, and** we anticipate that the federal deficit, the ~~growing~~ magnitude of Medicare and Medicaid expenditures and the aging of **and health status trends within** the U. S. population will continue to place pressure on government healthcare programs **. It is difficult to predict whether** , ~~and~~ **when, or what additional deficit reduction initiatives may be proposed by Congress, but** it is possible that future deficit reduction legislation will mandate additional Medicare **and / or Medicaid** spending reductions. **There is uncertainty regarding** ~~In addition, if economic conditions in~~ the **impact of** ~~United States significantly deteriorate,~~ any ~~such developments~~ **failure to increase the " debt ceiling, " and any U. S. government default on its debt** could ~~materially and~~ **have broad macroeconomic effects. Further, any shutdown of the federal government, failure to enact annual appropriations, hold on congressionally authorized spending or interruptions in the distribution of governmental funds could** adversely affect our **financial** results ~~of operations, financial position, and / or our cash flows, even if interest rates fall~~ . ~~For example, states~~ **States** ~~could~~ **may also** face significant fiscal challenges and revise their revenue forecasts and adjust their budgets, and sales tax collections and income tax receipts could be depressed ~~. Negative macroeconomic conditions could also disrupt financial markets and capital markets and the businesses of financial institutions~~ , **which** ~~potentially causing a slowdown in the decision- making of these institutions. This~~ may ~~affect the timing~~ **place further pressure** on **government healthcare program spending, among** ~~which we may obtain any additional funding and there~~ - **other effects** ~~can be no assurance that we will be able to raise additional funds on terms acceptable to us, if at all~~ . Timing differences in reimbursement may cause liquidity problems. We fund operations primarily through the collection of accounts receivable, but there is a delay between the time that we provide services and the time that we receive reimbursement or payment for these services. These delays may result from such factors as changes by payors to data submission requirements, requests by fiscal intermediaries for additional data or documentation, other Medicare or Medicaid issues, or information system problems. Further, ~~many of the states in which we operate are operating with budget deficits for the 2023 fiscal year and fiscal year 2024~~ state budgets could be impacted to the extent economic conditions in the United States are challenging in ~~2024~~ **2025** . **To address fiscal challenges,** ~~Various~~ **various** states may in the future delay reimbursement, which would adversely affect our liquidity. In addition, from time to time, procedural issues require us to resubmit claims before payment is remitted, which contributes to our aged receivables. Additionally, we may experience unanticipated delays in receiving reimbursement from state programs due to changes in their policies or billing or audit procedures. Delays in receiving reimbursement or payments from Medicare, Medicaid and other payors **, including as a result of delays or issues implementing reimbursement- related rules, such as periodic payment updates for government programs,** may adversely impact our working capital. As a result, working capital management, including prompt and diligent billing and collection, is an important factor in our results of operations and liquidity. Our working capital management procedures may not successfully negate this risk. We face routine and periodic surveys, audits and investigations by governmental agencies and private payors, which could have adverse findings that may negatively impact our business. We are and have been subject to routine and periodic surveys, audits and investigations by various governmental agencies. In addition to surveys to determine compliance with the conditions of participation, CMS has engaged a number of contractors (including Medicare Administrative Contractors (" MACs "), RACs and UPICs) to conduct audits and investigations to evaluate billing practices and identify overpayments. In addition, individual states have similar integrity programs, including Medicaid RAC Programs. In certain states, payment of home health claims may be impacted by the Review Choice Demonstration for Home Health Services, a program intended to identify and prevent fraud, reduce the number of Medicare appeals, and improve provider compliance with Medicare program requirements. ~~The program is currently limited to home health agencies in in certain states, including Illinois, Ohio, Oklahoma, North Carolina, Florida and Texas. Providers in these states may initially select from the following claims review and approval processes: pre- claim review, post- payment review, or a minimal post- payment review with a 25 % payment reduction. Home health agencies that maintain high compliance levels will be eligible for additional, less burdensome options.~~ Private third- party payors may also conduct audits and investigations, and we also perform internal audits and monitoring. These audits and investigations can result and have resulted in recoupments by Medicare, state programs and other payors of amounts previously paid to us if we fail to comply with applicable laws or program requirements. Depending on the nature of the conduct found in such audits and investigations and whether the underlying conduct could be considered systemic, the resolution of these audits and investigations could have a material, adverse effect on our financial position, results of operations and liquidity. Private third- party payors may also conduct audits and investigations, and we also perform internal audits and monitoring. Depending on the nature of the conduct found in such audits and whether the underlying conduct could be considered systemic, the resolution of these audits could have a material, adverse effect on our financial position, results of operations and liquidity. Our revenues are concentrated in a small number of states, which makes us particularly sensitive to regulatory and economic changes in those states. Our revenues are particularly sensitive to regulatory and economic changes in states in which we generate a significant portion of our revenues including Illinois ~~,~~ **and** New Mexico ~~and New York~~ **. We expect to derive a significant portion of our revenues from Texas going forward as a result of the Gentiva Acquisition** . Accordingly, any change in the current demographic, economic, competitive or regulatory conditions in these states could have an adverse effect on our business, financial condition or results of operations. Changes to the Medicaid programs in these states **, each of which has implemented Medicaid expansion under the ACA,** could also have a disproportionately adverse effect on our business, financial condition, results of operations or cash flows. **For example, if federal funding for the expansion population is reduced, trigger laws in Illinois and New Mexico would end Medicaid expansion in those states or require other changes, and states without such trigger laws may be unable to offset federal regulations and / or be required to make cuts to their Medicaid programs.** Future efforts to reduce the costs of the

Illinois Department on Aging programs could adversely affect our service revenues and profitability. For the years ended December 31, **2024 and** 2023 ~~and 2022~~, we derived approximately **21. 0 % and** 20. 9 ~~% and 20. 7~~ %, respectively, of our revenue from the Illinois Department on Aging programs. State government officials have in the past attempted, and in the future may attempt, to reduce government spending by proposing changes aimed at reducing expenditures by this department. The nature and extent of any proposed future cost reduction initiatives is ~~unknown~~ **difficult to predict**. If future reforms impact the eligibility of consumers for services, the number of hours authorized or otherwise restrict services provided to existing consumers, our service revenues, results of operations, financial position and growth may be adversely affected. Failure to renew a significant payor agreement or group of related payor agreements may materially impact our revenue. Each of our agreements is generally in effect for a specific term, but they are also generally terminable with 60 days ~~'~~ **'** notice. Our ability to renew or retain our agreements depends on our quality of service and reputation, as well as other factors over which we have little or no control, such as state appropriations and changes in provider eligibility requirements. Additionally, failure to satisfy any of the numerous technical renewal requirements in connection with ~~our~~ **the** proposals **we submit** for agreements could result in a proposal being rejected even if it contains favorable pricing terms. Failure to obtain, renew or retain agreements with major payors may negatively impact our results of operations and revenue. We can give no assurance these agreements will be renewed on commercially reasonable terms or at all. Negative publicity or changes in public perception of our services may **decrease consumer volumes and** adversely affect our ability to receive referrals, obtain new agreements and renew existing agreements **, any of which could adversely affect our business**. Our success in receiving referrals, obtaining new agreements and renewing our existing agreements depends upon maintaining our reputation as a quality service provider among governmental authorities, physicians, hospitals, discharge planning departments, case managers, nursing homes, rehabilitation centers, advocacy groups, consumers and their families, other referral sources and the public. The HCBS Quality Measure Set, published by CMS, is intended to promote more common and consistent use of nationally standardized quality measures within and across state HCBS programs. Use of these HCBS measures by states, managed care organizations and other entities involved in HCBS is voluntary. In addition, the CMS ~~Care Compare website~~ **websites** ~~makes~~ **make** publicly available certain data on home health agency and hospice performance on quality measures and patient satisfaction. Medicare reimbursement for these provider types is tied to reporting of quality measures. While we believe that the services that we provide are of high quality, if our quality measures, some of which are published online by CMS, are deemed to be unsatisfactory or not of the highest value in relation to those of our competitors, our reputation could be negatively affected. Negative publicity, changes in public perceptions of our services or government investigations of our operations could damage our reputation ~~and~~ **,** hinder our ability to receive referrals, retain agreements or obtain new agreements ~~. Increased government scrutiny may also contribute to an~~ **and** ~~increase in compliance costs and could~~ discourage consumers from using our services. **Increased government scrutiny may also contribute to an increase in compliance costs.** Any of these events could **reduce consumer volumes and** have a negative effect on our business, financial condition and operating results. Our business may be harmed by labor relations matters. We are subject to a risk of work stoppages and other labor relations matters because our hourly workforce is highly unionized. As of December 31, ~~2023~~ **2024**, ~~51~~ **34**. ~~3~~ **8** % of our workforce was represented by labor unions. We have numerous agreements with local SEIU affiliates which are renegotiated from time to time. These negotiations are often initiated when we receive increases in our hourly rates from various state agencies. Upon expiration of these collective bargaining agreements, we may not be able to negotiate labor agreements on satisfactory terms with these labor unions. A strike, work stoppage or other slowdown could result in a disruption of our operations and / or higher ongoing labor costs, which could adversely affect our business. Moreover, potential changes to federal labor laws and regulations, ~~including those supported by the current presidential administration,~~ could increase the likelihood of employee unionization activity and the ability of employees to unionize. Labor costs are the most significant component of our total expenditures and, therefore, an increase in the cost of labor could significantly harm our business. If we were required to write down all or part of our goodwill and / or our intangible assets, our net earnings and net worth could be materially adversely affected. Goodwill and intangible assets with finite lives represent a significant portion of our assets. Goodwill represents the excess of cost over the fair market value of net assets acquired in business combinations. For example, if our market capitalization drops significantly below the amount of net equity recorded on our balance sheet, it might indicate a decline in our fair value and would require us to further evaluate whether our goodwill has been impaired. If as part of our annual review of goodwill and intangibles, we were required to write down all or a significant part of our goodwill and / or intangible assets, our net earnings and net worth could be materially adversely affected, which could affect our flexibility to obtain additional financing. In addition, if our assumptions used in preparing our valuations for purposes of impairment testing differ materially from actual future results, we may record impairment charges in the future and our financial results may be materially adversely affected. We had $ **970. 6 million and $** 663. 0 million **of goodwill** and $ ~~582~~ **109**. ~~8~~ **6** million ~~of goodwill~~ and $ 92. 0 ~~million and $ 72. 2~~ million of intangible assets recorded on our Consolidated Balance Sheets at December 31, **2024 and** 2023 ~~and 2022~~, respectively. It is not possible at this time to determine if there will be any future impairment charge, or if there is, whether such charges would be material. We will continue to review our goodwill and other intangible assets for possible impairment. We cannot be certain that a downturn in our business or changes in market conditions will not result in an impairment of goodwill or other intangible assets and the recognition of resulting expenses in future periods, which could adversely affect our results of operations for those periods. If we fail to maintain an effective system of internal control over financial reporting, such failure could adversely impact our business and stock price. Section 404 of the Sarbanes- Oxley Act of 2002, or the Sarbanes- Oxley Act, requires our management to report on, and requires our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting. Compliance with SEC regulations adopted pursuant to Section 404 of the Sarbanes Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting. Compliance with Section 404 (b) of the Sarbanes- Oxley Act has increased our legal and financial compliance costs making some activities more difficult, time-

consuming or costly and may also place strain on our personnel, systems and resources. To the extent that we now or in the future have deficiencies in our internal control over financial reporting that are not remediated, our ability to accurately and timely report our financial position, results of operations, cash flows or key operating metrics could be impaired, which could result in a material misstatement in our financial statements, late filings of our annual and quarterly reports under the Exchange Act, restatements of our consolidated financial statements or other corrective disclosures, or other material adverse effects on our business, reputation, results of operations, financial condition or liquidity and could create a perception that our financial results do not fairly state our financial condition or results of operations, any of which could have an adverse effect on the value of our stock. Regulatory Risks ~~Compliance with changing laws and regulations including specific program compliance may result in additional expenses and pose challenges for our management team. Our industry is subject to extensive government regulation. For example, the state agencies that contract for our services require us to comply with various laws and regulations affecting the services we provide. We have a compliance department, headed by our chief compliance officer, that monitors and reports on our compliance efforts. The laws and regulations governing our operations are subject to change. The implementation of these changes may require us to modify our operations or increase our efforts to remain compliant, may reduce the authorizations for services to be provided, and may result in certain consumers no longer being eligible for our services, any of which may result in lower revenues and increased costs, reducing our operating performance and profitability. If we continue to serve our consumers without addressing changes in laws and regulations, we are at risk for non- compliance with program requirements and potential penalties, which may be significant.~~ Our hospice operations are subject to annual Medicare caps. If we exceed the caps, our business and consolidated financial condition, results of operations and cash flows could be materially adversely affected. Overall payments made by Medicare to each hospice provider number (generally corresponding to each of our hospice agencies) are subject to an inpatient cap and an aggregate cap, which ~~are~~ **CMS** ~~set~~ **sets** each federal fiscal year. The inpatient cap limits the number of days of inpatient care **for which Medicare will pay** to no more than 20 % of total patient care days. The aggregate cap limits the amount of Medicare reimbursement a hospice may receive **each year** , based on the number of Medicare patients served. If a hospice' s Medicare payments exceed its inpatient or aggregate caps, it must repay **to** Medicare ~~for~~ the excess amount. If payments received under any of our hospice provider numbers exceed these caps, we may be required to reimburse Medicare such excess amounts, which could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. Reductions in reimbursement and other changes to Medicare, Medicaid, and other federal, state and local medical and social programs could adversely affect our consumer caseload, units of service, revenues, gross profit and profitability. A significant portion of our caseload and revenues are derived from government healthcare programs, primarily Medicare and Medicaid. For the year ended December 31, ~~2023~~ **2024** , we derived approximately ~~59~~ **61** . ~~5~~ **8** % of our net service revenues from state and local governmental agencies, primarily through Medicaid state programs and ~~21~~ **22** . ~~5~~ **2** % from Medicare. However, changes in government healthcare programs may decrease the reimbursement we receive or limit access to, or utilization of, our services. As federal healthcare expenditures continue to increase and as many state governments navigate budgetary pressures, federal and state governments have made, and may continue to make, significant changes to the Medicare and Medicaid programs and reimbursement received for services rendered to beneficiaries of such programs. For example, the Budget Control Act of 2011 (" BCA ") requires automatic spending reductions to reduce the federal deficit, resulting in a uniform reduction across all Medicare programs of 2 % per fiscal year that extends through the first ~~seven~~ **eight** months of 2032 ~~. As a result of the American Rescue Plan Act of 2021 (" ARPA "), an additional Medicare payment reduction of up to 4 % was required to take effect in January 2022, although Congress has delayed implementation of this reduction until 2025~~ . It is difficult to predict whether, when, or what other deficit reduction initiatives may be proposed by Congress, but future legislation may include additional Medicare spending reductions. The Medicaid program, which is jointly funded by the federal and state governments, is often a state' s largest program. Governmental agencies generally condition their agreements upon a sufficient budgetary appropriation. Almost all of the states in which we operate have experienced periodic financial pressures and budgetary shortfalls due to challenging economic conditions and the rising costs of healthcare, among other factors. ~~Reductions to federal support for state Medicaid or other programs could also result in budgetary shortfalls.~~ As a result, many states have made, are considering or may consider making changes in their Medicaid or other state and local medical and social programs, including enacting legislation designed to reduce Medicaid expenditures. Changes **that have occurred or** that may occur at the federal or state level to contain costs include, for example: • limiting increases in, or decreasing, reimbursement rates; • redefining eligibility standards or coverage criteria for social and medical programs or the receipt of services under those programs; • increasing consumer responsibility, including through increased co- payment requirements; • decreasing benefits, such as limiting the number of hours of personal care services that will be covered; • changing reimbursement methodology and program participation eligibility; • slowing payments to providers; • increasing utilization of self- directed care alternatives or " all inclusive " programs; • shifting beneficiaries to managed care organizations; and • implementing demonstration projects and alternative payment models. ~~Certain of~~ **Further, legislation and administrative actions at** ~~these~~ -- **the** ~~measures have been implemented~~ **federal level may impact the funding for, or structure of, the Medicaid program, and may shape the administration of the Medicaid program at the state level, including** by **affecting provider reimbursement rates and eligibility and coverage policies** ~~, or are proposed in, states in which we operate~~ . For example, ~~we provide support services~~ **some members of Congress and the presidential administration have raised, and Congress may in the future adopt, proposals intended to reduce Medicaid expenditures such** as **restructuring the Medicaid program to give states** a ~~fiscal intermediary to the New York Consumer Directed Personal Assistance Program (~~ " ~~CDPAP~~ **block grant** " ~~),~~ **or fixed amount of overall funding for their respective Medicaid programs or to impose spending caps such as per Medicaid beneficiary limits on federal contributions. Reductions in federal funding or changes to the federal funding formula for Medicaid could have** a ~~self- directed care alternative program~~ **significant impact, particularly in states** that **expanded Medicaid under the ACA and especially if federal contributions**

~~allows eligible individuals who need help with activities of daily living or~~ **for** ~~skilled nursing services~~ **Medicaid expansion populations decrease and states are unable** to ~~choose~~ **offset the reductions. Further, some states have trigger laws that would end** their ~~caregivers~~ **Medicaid expansion or require other changes if federal funding for the expansion populations is reduced** . In ~~2019, New York initiated a new Request For Offer (" RFO ") process to competitively procure CDPAP fiscal intermediaries. The Company was not selected in the initial RFO process. We submitted a formal protest in response to the selection process, which was filed and accepted in March 2021~~ **2024** ~~. In April 2022, the New York legislature passed its fiscal year 2023 state budget, which amended the Fiscal Intermediary RFO process to authorize all fiscal intermediaries that submitted an RFO application and served at least 200 clients in New York City or 50 clients in other counties between January 1, 2020, and March 31, 2020, but that were not initially awarded a contract, to contract with the New York State Department of Health (" NYSDOH "). These fiscal intermediaries are permitted to continue operating in all counties contained in their RFO application, provided they submitted an attestation and supporting information to the NYSDOH no later than November 29, 2022. The Company submitted an attestation on November 22, 2022, which allowed the Company to continue its CDPAP fiscal intermediary operations. However, the Company decided at that time to suspend materially all of its new fee- for- service patient admissions in the CDPAP through County Social Service Departments. On June 6, 2023, the NYSDOH notified the Company that it had received a contract award. Under this contract, the Company is providing services to all current payors and has resumed new fee- for- service patient admissions through County Social Service Departments in the CDPAP. The CDPAP continues to be targeted for changes by New York governmental authorities, however. For example, the governor' s most recent update on the state budget contained proposals that could adversely affect the Company' s ability to participate in the CDPAP. These proposals may not be adopted in their current form, or at all. The Company recognized approximately $ 40. 7 million and $ 3. 5 million in net service revenue and operating income, respectively, from the CDPAP for the year ended December 31, 2023. In 2023~~ , we derived approximately ~~44~~ **43** . ~~5~~ **7** % of our net service revenues from services provided in Illinois ~~, 17~~ **and 15** . ~~0~~ **3** % of our net service revenues in New Mexico ~~and 8~~ . ~~7 %~~ **We expect to derive a significant portion** of our ~~net service~~ revenues ~~in New York~~ **from Texas going forward as a result of the Gentiva Acquisition** . Because a substantial portion of our business is concentrated in these states, any significant reduction in state expenditures that pay for our services or other significant changes in these states may have a disproportionately negative impact on our future operating results. We cannot predict whether states material to our operating results will experience changes or other challenges that negatively impact our ability to be reimbursed for our services in a timely manner. Changes in the volume of uninsured patients could adversely affect our cash flows and results of operations. In recent years, federal and state legislatures have considered or passed various proposals impacting the size of the uninsured population. For example, **federal legislation temporarily enhanced subsidies available for purchasing coverage through the federal and state- based health insurance marketplaces by lowering premiums and raising income eligibility thresholds. These subsidies were extended through 2025, but further extension is uncertain, and their expiration would adversely impact enrollment through these health insurance marketplaces and may increase the uninsured rate. In addition, the number of individuals enrolled in** Medicaid **declined in 2024 in comparison to 2023. This decline reversed a trend of increased** enrollment ~~increased~~ **that occurred** as a result of COVID- 19 relief legislation that authorized a temporary increase in federal funds for certain Medicaid expenditures in states that maintained continuous Medicaid enrollment, among other requirements. The end of the continuous enrollment condition in 2023, including the resumption of redeterminations for Medicaid enrollees, ~~has~~ resulted in significant coverage disruptions and dis- enrollments of enrollees ~~, and Medicaid enrollment is generally expected to decline through fiscal year 2024 (which ends June 30, 2024, in most states)~~ . While we believe the population targeted by our **business** model **was** ~~will be~~ less affected than other Medicaid enrollees, **we experienced some negative impact from redeterminations in 2024. We believe states in which we operate have substantially completed redeterminations associated with** ~~there~~ -- **the** ~~is uncertainty regarding how enrollment will ultimately change as~~ unwinding **of the** ~~continues~~ **continuous coverage requirement** and ~~states return~~ **do not anticipate any additional material impact** to ~~normal eligibility and enrollment operations~~ **our business from the unwinding process** . Congress, CMS and state authorities may implement changes to reimbursement for or coverage of items and services that affect our business and operations. For example, ~~from time to time,~~ CMS **periodically** revises the reimbursement systems used to reimburse healthcare providers, including through changes to the home health and hospice reimbursement systems, which may result in reduced Medicare and / or Medicaid payments **. In addition, delays or issues implementing reimbursement- related rules, including periodic payment updates for government programs, and interruptions in the distribution of governmental funds, could have an adverse impact on our business** . The shift toward value- based care continues, including through the implementation of alternative payment models and various demonstration projects. Some states have obtained CMS approval to test new or existing approaches to payment and delivery of Medicaid benefits. Payment policies for different types of providers and for various items and services continue to evolve, and future health reform efforts could impact both federal and state programs. If changes in Medicare, Medicaid or other state and local medical and social programs result in a reduction in available funds for the services we offer, a reduction in the number of beneficiaries eligible for our services or a reduction in the number of hours or amount of services that beneficiaries eligible for our services may receive, then our revenues and profitability could be negatively impacted. Our profitability depends principally on the levels of government- mandated payment rates and our ability to manage the cost of providing services. In some cases, commercial insurance companies and other private payors rely on government payment systems to determine payment rates and policies. As a result, changes to government healthcare programs that reduce Medicare, Medicaid or other payments may negatively impact payments from private payors, as well. Any reduction in reimbursements from governmental or private payors or policies that negatively affect utilization of our services, such as the imposition of copayments or prior authorization requirements, could also materially adversely affect our profitability. Federal and state regulation may impair our ability to consummate acquisitions or open new agencies. Federal and state laws and regulations may adversely impact our ability to acquire or open new start- up agencies, and the change of

ownership processes for Medicare, Medicaid and other payors can be complex. For example, a Medicare regulation known as the " 36 Month Rule " restricts **the** ~~buyers from assuming~~ **assumption** ~~Medicare billing privileges~~ **by a new majority owner** of **a** Medicare- certified home health **agency or** ~~agencies and, effective January 1, 2024, hospices~~ **hospice provider' s Medicare provider agreement and billing privileges** . The 36 Month Rule applies if the acquired home health agency or hospice either enrolled in Medicare or underwent a change in majority ownership fewer than 36 months prior to the acquisition, subject to certain exceptions. Instead, the buyer must enroll as a new provider with Medicare. The 36 Month Rule can increase competition for acquisition targets that are not subject to the rule and may cause significant Medicare billing delays for the purchases of home health agencies and hospices that are subject to the rule. Home health agencies and ~~(effective January 1, 2024)~~ hospices undergoing changes of ownership are considered a " high- risk " provider type, subjecting provider enrollment applications to increased scrutiny, which may result in delays in processing. Further, in the past, CMS has limited enrollment of new home health agencies. If another moratorium is imposed on enrollment of new providers in a geographic area we desire to service, our ability to expand operations may be impacted. Our ability to expand operations in a state will also depend, where required, on our ability to obtain a state license to operate and, in some cases, CON approval. States may limit the number of **new** licenses they issue **or restrict changes of ownership of existing licensed entities. For example, California law prohibits the California Department of Public Health from approving a change of ownership of a hospice agency license within five years of its initial issuance** . In addition, some states require ~~disclosures by~~ healthcare entities to **make disclosures to or receive approval from** state attorneys general or other designated entities in advance of sales or other transactions. The failure to obtain any required CON or license or other required approvals **or make required disclosure** could impair our ability to operate or expand our business. The increasingly challenging regulatory environment may negatively impact our ability to acquire healthcare businesses if they are found to have material unresolved compliance issues. Resolving any such issues and completing applicable review or approval processes could significantly delay or prevent us from acquiring other businesses and increase our acquisition costs. The implementation of alternative payment models and the transition of Medicaid and Medicare beneficiaries to managed care organizations may limit our market share and could adversely affect our revenues. Many government and commercial payors are transitioning providers to alternative payment models that are designed to promote cost-efficiency, quality and coordination of care. For example, ~~accountable care organizations (" ACOs ")~~ incentivize hospitals, physician groups, and other providers to organize and coordinate patient care while reducing unnecessary costs. ~~Several~~ **Some** states have implemented, or plan to implement, accountable care models for their Medicaid populations. If we are not included in these programs, or if ACOs establish programs that overlap with our services, we are at risk for losing market share and for a loss of our current business. Further, if we fail to effectively provide or coordinate the efficient delivery of quality services, our reputation may be negatively impacted, we may receive reduced reimbursement amounts and we may owe repayments to payors, which could cause our revenues to decline. We may be similarly impacted by increased enrollment of Medicare and Medicaid beneficiaries in managed care plans, which is part of the general shift away from traditional fee- for- service models. Under the managed Medicare program, ~~also~~ known as Medicare Advantage, the federal government contracts with private health insurers to provide Medicare benefits. Insurers may choose to offer supplemental benefits, including in- home support services, and impose higher plan costs on beneficiaries. Approximately half of Medicare beneficiaries are enrolled in a Medicare Advantage plan, a figure that continues to grow. ~~While hospice services are currently reimbursed as a traditional fee- for-service program under Medicare Part A, CMS is testing the inclusion of the Part A hospice benefit with the Medicare Advantage benefits package. Under the Hospice Benefit Component of the Value- Based Insurance Design Model, Medicare Advantage plans are financially responsible for all traditional Medicare services, including hospice care.~~ If ~~hospice~~ **more of our** services are offered ~~more widely~~ under Medicare Advantage plans ~~,~~ **in** the ~~change~~ **future, we** could **experience** ~~result in~~ reduced reimbursement, limited utilization, and increased competition for managed care contracts. ~~Enrollment in~~ **States predominantly deliver services to Medicaid enrollees through** managed Medicaid plans ~~is also growing, as states are increasingly relying on managed care organizations to deliver Medicaid program services~~ as a strategy to control costs and manage resources. We may experience increased competition for managed care contracts due to state regulation and limitations ~~. For instance, New York law limits the number of home care providers with which a managed Medicaid long- term care plan can contract~~ . We cannot assure you that we will be successful in our efforts to be included in plan networks, that we will be able to secure favorable contracts with all or some of the managed care organizations, that our reimbursement under these programs will remain at current levels, that the authorizations for services will remain at current levels or that our profitability will remain at levels consistent with past performance. In addition, operational processes may not be well defined as a state transitions beneficiaries to managed care. For example, membership, new referrals and the related authorization for services to be provided may be delayed, which may result in delays in service delivery to consumers or in payment for services rendered. Difficulties with operational processes may negatively affect our revenue growth rates, cash flow and profitability for services provided. Other alternative payment models may be presented by the government and commercial payors that subject our Company to financial risk. It is difficult to predict the nature and success of any such models. We cannot predict at this time what effect alternative payment models may have on our Company. Our industry is highly competitive, fragmented and market- specific. The healthcare and long- term care industries are highly competitive among service providers and care models. We compete with personal care service providers, hospice providers, home health providers, private caregivers, publicly held companies, privately held companies, privately held single- site agencies, hospital- based agencies, not- for- profit organizations, community- based organizations and self- directed care programs. Some of these providers and competitive care models may have greater financial, technical, political and marketing resources, name recognition or a larger number of consumers and payors than we do. In addition, some of our competitors offer more services than we do in the markets in which we operate. These competitive advantages may limit our ability to attract and retain referrals in local markets and to increase our overall market share. In many states, there are limited barriers to entry in providing personal care services. However, some states

require entities to obtain a license before providing home care services. Licensure is generally required of agencies providing home health and hospice services, though requirements vary by state. Some states also require a provider to obtain a CON **or other type of approval** before establishing **, purchasing, or expanding** certain health services, operations or facilities. CON restrictions may reduce the level of competition in a given industry or in a particular geographic region **. Changes in licensure and CON requirements and recognition of new provider types or payment models could remove or reduce barriers to entry** . In addition, economic changes such as increases in minimum wage and changes in Department of Labor rules can also impact the ease of entry into a market. These factors may affect competition in the states in which we operate. Often our contracts with payors are not exclusive. Local competitors may develop strategic relationships with referral sources and payors. Further, consolidation within the payor industry, vertical integration efforts involving payors and healthcare providers, and cost-reduction strategies by payors continue to increase ~~, which may affect our competitive position~~ . In addition, existing competitors may offer new or enhanced services that we do not provide or be viewed by consumers as a more desirable local alternative. These and other factors could impact our ability to contract with payors on favorable terms, result in pricing pressures, loss of or failure to gain market share or loss of consumers or payors, or otherwise affect our competitive position. Further, the introduction of new and enhanced service offerings, in combination with the development of strategic relationships by our competitors, could cause a decline in revenue, a loss of market acceptance of our services and a negative impact on our results of operations. Trends toward **clinical and** price transparency and value- based purchasing may have an impact on our competitive position, ability to obtain and maintain favorable contract terms, and consumer volumes. For example, health insurers must provide online price comparison tools to help individuals get personalized cost estimates for covered items and services. HHS also requires health insurers to publish online the charges negotiated with providers for healthcare services. In addition, ~~the~~ CMS ~~Care Compare website~~ **websites** ~~makes~~ **make** publicly available certain data on home health agency and hospice performance on quality measures and patient satisfaction. It is unclear how price transparency requirements, value- based purchasing and similar initiatives will affect consumer behavior, our relationships with payors, or our ability to set and negotiate prices. We expect these competitive trends to continue. If we are unable to compete effectively, consumers may seek services from other providers, which could have a negative impact on our business and results of operations. If we fail to comply with the **extensive** laws and ~~extensive~~ regulations governing our business, we could be subject to penalties or be required to make changes to our operations, which could negatively impact our **business and** profitability. ~~The~~ **Our industry is extensively regulated at the** federal **and state** government **levels** ~~and the states in which we operate regulate our industry extensively~~ . The laws and regulations governing our operations, along with the terms of participation in various government programs, **affect** ~~impose certain requirements on~~ the way in which we do business, the services we offer, and our interactions with providers and consumers. These **legal and regulatory** requirements ~~include~~ **relate to, among other** matters ~~related to~~ : • **facility and personnel** licensure **,** and certification and enrollment with government programs; • eligibility for services; • appropriateness and necessity of services provided; • adequacy and quality of services; • qualifications ~~and~~ **,** training **and supervision** of personnel; • confidentiality, maintenance, interoperability, **exchange and** ~~data breach, identity theft,~~ security ~~, access and exchange~~ of medical records and other health- related and personal information **,** including information blocking, data breach, ransomware, identify theft and online tracking of personal information **; • the provision of services via telehealth, including technological standards and coverage restrictions or other limitations on reimbursement; • the development and use of AI and other predictive algorithms, including those used in clinical decision support tools** ; • environmental protection, health and safety; • relationships with physicians, other referral sources and recipients of referrals; • operating policies and procedures; • addition of, and changes to, facilities and services; • adequacy and manner of documentation for services provided; • billing and coding for services; • timely and proper handling of overpayments; and • debt collection and communications with consumers. These laws include, but are not limited to **,** the federal Anti- Kickback Statute, the federal Stark Law, the federal FCA, the federal Civil Monetary Penalties Law, other federal and state fraud and abuse, insurance fraud, and fee- splitting laws, which may extend to services reimbursable by any payor, including private insurers, the No Surprises Act, and federal and state laws governing the security and privacy of health information. We currently have contractual relationships with current and potential referral sources and recipients, including hospitals and health systems, skilled nursing facilities and certain physicians who provide medical director and clinical services to our Company. We attempt to structure our relationships to meet applicable regulatory requirements, but we cannot provide assurance that every relationship is fully compliant. Further, we may fail to discover instances of noncompliance by businesses we acquire. If we fail to comply with applicable laws and regulations, which are subject to change, we could be subject to civil sanctions and criminal penalties, including substantial monetary penalties, **exclusion from** ~~the termination of rights to participate~~ **participation** in **Medicare, Medicaid and other** federal and state healthcare programs, ~~exclusion from federal healthcare programs,~~ the suspension or revocation of licenses, ~~and~~ we could face nonpayment or encounter delays in our ability to bill and collect for services provided, **and we could be subject to civil lawsuits,** any of which could adversely affect our business, results of operations, or financial results. Actions taken against one of our entities may subject our other entities to adverse consequences. While we endeavor to comply with applicable laws and regulations **and government program requirements** , we cannot ensure you that our practices are fully compliant or that courts or regulatory agencies will not interpret those laws and regulations in ways that will adversely affect our practices. Further, the laws and regulations **and program requirements** governing our business are subject to change, interpretations may evolve and enforcement focus may shift. These changes could subject us to allegations of impropriety or illegality, require restructuring of relationships with referral sources and recipients or otherwise require changes to our operations. **Changes could also reduce authorizations for services to be provided or result in reductions in consumer eligibility for our services, which could decrease our revenues and operating performance.** The costs of compliance with, and the other burdens imposed by, applicable laws and regulations **and program requirements** may be substantial and could increase our operational costs **, pose challenges for our management team** , result in interruptions or delays in the availability of systems and / or result

in a patient volume decline **, any of which could adversely affect our business** . Federal and state government agencies have heightened and coordinated civil and criminal enforcement efforts throughout the healthcare industry. We may face audits or investigations by government agencies or third parties, including under certain of our contractual relationships. An adverse outcome under any such audit or investigation, a determination that we have violated applicable laws and regulations, or a public announcement that we are being investigated for possible violations could result in liability, result in adverse publicity, require us to change our operations **and / or** to implement plans of correction for alleged deficiencies, and result in other negative consequences that could adversely affect our business, financial condition, or results of operations. We are subject to federal, state and local laws and regulations that govern our employment practices, including minimum wage, living wage, and paid time- off requirements. Failure to comply with these laws and regulations, or changes to these laws and regulations that increase our employment- related expenses, could adversely impact our operations. We are required to comply with all applicable federal, state and local laws and regulations relating to employment, including OSHA requirements, wage and hour and other compensation requirements (including disclosure requirements), employee benefits, providing leave and sick pay, employment insurance, proper classification of workers as employees or independent contractors, immigration and equal employment opportunity laws. These laws and regulations can vary significantly among jurisdictions and can be highly technical. Costs and expenses related to these requirements are a significant operating expense and may increase as a result of, among other things, changes in federal, state or local laws or regulations, or the interpretation thereof, requiring employers to provide specified benefits or rights to employees, increases in the minimum wage and local living wage ordinances, increases in the level of existing benefits or the lengthening of periods for which unemployment benefits are available. Each of our subsidiaries that employ an average of at least 50 full- time employees in a calendar year are required to offer a minimum level of health coverage for 95 % of our full- time employees in ~~2023~~ **2024** or be subject to an annual penalty, for example. Since our personal care operations are concentrated in Illinois ~~,~~ **and** New Mexico ~~and New York~~ , we are also particularly sensitive to changes in laws and regulations in these states ~~. Additionally, the current presidential administration has signaled its support for increases in minimum wage~~ . We may not be able to offset any increased costs and expenses. Furthermore, any failure to comply with these laws, including even a seemingly minor infraction, can result in significant penalties which could harm our reputation and have a material adverse effect on our business. The COVID- 19 pandemic increased some of these risks, with certain states modifying occupational health and safety guidelines in a manner that increases scrutiny and complexity of operations with respect to appropriate training and use in the workplace of PPE and the possibility of corresponding regulatory audit activity with respect to the adequacy of our practices and procedures. The COVID- 19 pandemic also resulted in states modifying standards associated with payment amounts and required justifications to qualify for sick leave and unemployment benefits. These modifications may result in increased operational costs to us, which may adversely impact our financial performance. In addition, ~~certain~~ individuals and entities ~~, known as~~ excluded ~~persons~~ **by the OIG from federal healthcare programs, including Medicare and Medicaid** , are prohibited from receiving payment **from federal healthcare programs** for ~~their~~ **any items or** services **they furnish** ~~rendered to Medicaid~~ , ~~Medicare~~ **order or provide,** and ~~other federal and state healthcare program beneficiaries~~ **providers who employ or contract with excluded individuals are subject to significant penalties** . If we inadvertently hire or contract with an excluded person, or if any of our current employees or contractors becomes an excluded person in the future without our knowledge, we may be subject to substantial civil penalties, including civil monetary penalties, an assessment of up to three times the amount claimed and exclusion from the program **, and may also face liability under the FCA** . Our business may be adversely **impacted by changes and uncertainty in the healthcare industry, including healthcare public policy developments and other changes to laws and regulations. The healthcare industry is subject to changing political, regulatory and other influences. Regulatory uncertainty has increased as a result of decisions issued by the U. S. Supreme Court in June 2024 that affect review of federal agency actions. These decisions increase judicial scrutiny of agency authority, shift greater responsibility for statutory interpretation to courts, expand the time period during which a plaintiff can sue regulators, and may result in inconsistent judicial interpretations and delays in agency rulemaking processes. In Loper Bright Enterprises v. Raimondo, the Court overruled a legal framework that gave significant judicial deference to federal agency interpretations of federal statutes. The Court held that courts must instead exercise independent judgment when deciding whether an agency has acted within its statutory authority and that courts may not defer to an agency interpretation simply because a statute is ambiguous. The Loper Bright decision and other recent decisions of the U. S. Supreme Court could have significant impacts on government agency regulation, particularly within the heavily- regulated healthcare industry, and may have broad implications for our business. While the effects of these decisions will become apparent over the coming months and years, we anticipate an increase in legal challenges to healthcare regulations and agency guidance and decisions, including but not limited to those issued by HHS and its agencies, including CMS, the FDA, and the OIG. Federal agencies oversee, regulate and otherwise affect many aspects of our business, including through Medicare and Medicaid payment and coverage policies, policies affecting size of the uninsured population, administration of state Medicaid programs, and enforcement and interpretation of fraud and abuse laws. Impacts of the recent Supreme Court decisions could require us to make changes to our operations and have a material negative impact on our business. The outcome of the 2024 federal elections, affecting both the executive and legislative branches, also increases regulatory uncertainty and the potential for significant policy changes. The healthcare industry has been and continues to be** impacted by healthcare reform efforts. **For example** ~~In recent years, the healthcare industry has undergone significant changes, many of which have been aimed at reducing costs and government spending. The U. S. Congress and certain state legislatures have considered and passed a large number of laws affecting the healthcare industry, including laws intended to impact access to health insurance. The most prominent of these legislative reform efforts~~ , the ACA affects how healthcare services are covered, delivered, and reimbursed, and expanded health insurance coverage through a combination of public program expansion and private sector health insurance

reforms. ~~However~~ **Changes in the law' s implementation , subsequent legislation and regulations, state initiatives and other factors have affected and may continue to affect the number of individuals that elect to obtain public or private health insurance or the scope of such coverage, if purchased, and may impact our payor mix. Reductions in the number of insured individuals or the scope of insurance coverage, or an increase in patients covered under governmental health programs or other health plans with lower reimbursement levels, may have an adverse effect on our business. For example, federal legislation temporarily enhanced subsidies available for purchasing coverage through** the ACA ~~has been,~~ **health insurance marketplaces by lowering premiums** and ~~continues to be~~ **raising income eligibility thresholds. Subsequent legislation extended these enhanced subsidies through 2025** , ~~subject to~~ **but further extension is uncertain, and their expiration may increase the uninsured rate. Other** legislative and ~~regulatory changes and court challenges. It is possible~~ **executive branch initiatives related to health insurance, such as permitting the sale of insurance plans** that ~~changes by Congress or government agencies~~ **lack currently required consumer protections,** could **significantly affect insurance markets** ~~eliminate or alter provisions beneficial to us, while leaving in place provisions reducing our reimbursement or otherwise negatively impacting our business~~ . In addition, **the Medicare and Medicaid programs are subject to change, including as a result of changes in the presidential administration. For example, some members of Congress and the presidential administration have raised potential changes intended to accelerate the shift from traditional Medicare to Medicare Advantage, repealing the ACA or eliminating some of its consumer protections. Further, changes in governmental administration, including changes in agency structures and staffing, such as reduction or elimination of personnel and agencies, may result in changes to established rulemaking conventions and timelines, including for regularly- issued reimbursement rules, among other effects. Legislation and administrative actions at the federal level may also impact funding for, or the structure of, the Medicaid program and may shape administration of the Medicaid program at the state level. For example, in May 2024,** CMS ~~administrators~~ **finalized a rule that requires states to ensure by mid- 2030 that at least 80 % of all Medicaid payments a provider receives for homemaker, home health aide, and personal care services, less excluded costs, under specified programs are spent on total compensation for direct care workers furnishing these services, subject to limited exceptions. If implemented in its current form, the final rule could negatively impact our business and financial performance by, among other things, increasing our labor costs. In addition, CMS** may ~~make changes~~ **change** ~~to~~ Medicaid payment models ~~or impose new limitations on the use of Medicaid funds. For example, in May 2023, CMS published a proposed rule that, if finalized in its current form, would require that a minimum of 80 % of Medicaid payments in a state for home health aide, personal care services~~ and ~~some similar services be spent on compensation to direct care workers, in addition to related payment transparency requirements. If adopted, this requirement could negatively impact our business and financial performance by, among other things, increasing our labor costs. Likewise, CMS administrators may~~ grant ~~various~~ **states additional** flexibilities ~~to states~~ in the administration of state Medicaid programs, including by modifying the scope of waivers under which states may implement Medicaid expansion provisions, impose different eligibility or enrollment restrictions, or otherwise implement programs that vary from federal standards. **Further, changes to the federal funding formula for Medicaid could significantly impact states that expanded Medicaid under the ACA, especially if federal contributions for Medicaid expansion populations decrease or are eliminated and states are unable to offset the reductions.** Some **states have trigger laws that would end their Medicaid expansion or require other changes if federal funding is reduced. Some** of these ~~program~~ **Medicaid** changes may **decrease** ~~reduce the number of~~ Medicaid ~~enrollees~~ **enrollment, result** in ~~certain~~ **reductions to various** ~~states~~ **state healthcare programs or have other effects that could adversely affect our business** . Other recent reform initiatives and proposals at the federal and state levels include those focused on price transparency and value- based pricing, which may impact our competitive position, patient volumes, and the relationships between providers, patients, and payors. For example, ~~the~~ CMS ~~Care Compare website~~ **websites** ~~makes~~ **make** publicly available certain data on home health agency and hospice performance on quality measures and patient satisfaction ~~.~~ **, and** Medicare reimbursement is tied to reporting of quality measures. ~~In~~ **Other industry participants, such as private payors and large employer groups and their affiliates, may introduce** ~~addition~~ **additional financial** ~~, among other consumer protections, the No Surprises Act imposes various requirements on providers and health plans that are intended to prevent " surprise " medical bills. The law generally requires providers to send an insured patient' s health plan a good faith estimate of expected charges, including billing and diagnostic codes, prior to when the patient is scheduled to receive the item~~ or ~~service~~ **delivery system reforms** . There is uncertainty regarding whether, when and what other ~~health reform measures~~ **public policy initiatives** will be adopted ~~through~~ **by federal and state** ~~governmental~~ **governments** ~~avenues~~ and / or the private sector, the timing and implementation of any such efforts, and the impact of those efforts on providers as well as other healthcare industry participants. **It is difficult** ~~Some members of Congress have proposed expanding government- funded coverage, including proposals~~ to **predict the nature** ~~expand coverage of federally- funded insurance programs as an~~ **and /** ~~alternative to private insurance or to establish a single payor system (such reforms are often referred to as " Medicare for~~ **or success of current** ~~All "),~~ and **future** ~~some states have implemented or proposed~~ public **policy changes** ~~health insurance options. We are unable to predict the nature and success of current and future healthcare reform initiatives~~ , any of which may have an adverse effect on our business, financial condition, and operating results. The industry trend toward value- based purchasing may negatively impact our revenues. There is a trend ~~in the healthcare industry~~ toward value- based purchasing of healthcare services among both government and commercial payors. Generally, value- based purchasing programs ~~emphasize~~ **tie payment to the** quality ~~of outcome~~ and efficiency ~~of care provided, rather than quantity~~ of care provided. For example, Medicare requires hospices and home health agencies to report certain quality data in order to receive full reimbursement. Failure to report quality data or poor performance may negatively impact the amount of reimbursement received. In addition, CMS publishes home health and hospice quality measure data online ~~, through its Care Compare website,~~ to allow consumers and others to search and compare data for Medicare- certified providers. Alongside this quality and public reporting effort, home health agencies receive,

under the HHVBP Model, increases or decreases to their Medicare fee- for- service payments of up to 5 % based on performance against specific quality measures relative to the performance of other home health providers. Data collected in each performance year impacts Medicare payments two years later. In the future, CMS may establish new value- based purchasing programs affecting a broader range of providers, some of which may be mandatory. Initiatives aimed at improving quality and cost of care include alternative payment models, such as ACOs and bundled payment arrangements. The CMS Innovation Center is aiming to have all fee- for- service Medicare beneficiaries and most Medicaid beneficiaries in a care relationship with accountability for quality and total cost of care by 2030. There are also several state- driven value- based care initiatives. For example, some states have aligned quality metrics across payors through legislation or regulation. Commercial payors are shifting toward value-based reimbursement arrangements as well. We expect value- based purchasing programs, including programs that condition reimbursement on patient outcome measures, to become more common and to involve a higher percentage of reimbursement amounts. It is unclear whether alternative models will successfully coordinate care and reduce costs or whether they will decrease overall reimbursement. While we believe we are adapting our business strategies to compete in a value- based reimbursement environment, we are unable at this time to predict how this trend will affect our results of operations. If we perform at a level below the outcomes demonstrated by our competitors, fail to satisfy quality data reporting requirements, are unable to meet or exceed quality performance standards under any applicable value- based purchasing program, or otherwise fail to effectively provide or coordinate the efficient delivery of quality healthcare services, our reputation in the industry may be negatively impacted, we may receive reduced reimbursement amounts and we may owe repayments to payors, causing our revenues, financial position, results of operations and cash flows to decline. Liability Risks Our operations subject us to risk of litigation. Operating in the healthcare and personal care services industries exposes us to an inherent risk of wrongful death, personal injury, professional malpractice and other potential claims or litigation brought by our consumers and employees. From time to time, we are subject to claims alleging that we did not properly treat or care for a consumer, that we failed to follow internal or external procedures, resulting in death or harm to a consumer, or that our employees mistreated our consumers, resulting in death or harm. We are also subject to claims arising out of accidents involving vehicle collisions brought by consumers whom we ~~are transporting~~ --- **transport** , from employees driving to or from home visits or other affected individuals. We may also be subject to lawsuits from patients, employees and others exposed to contagious diseases in connection with the services provided by our workforce in client residences and third party facilities. Some of the actions brought against us may seek large sums of money as damages and involve significant defense costs. Our professional and general liability insurance may not cover all claims against us. In addition, regulatory agencies have previously brought and may in the future initiate administrative proceedings alleging violations of statutes and regulations arising from our services and seek to impose monetary penalties **or other sanctions** on us. We could be required to pay substantial amounts to respond to regulatory investigations or, if we do not prevail, damages or penalties arising from these legal proceedings. We also are subject to potential lawsuits under the federal FCA or other federal and state whistleblower statutes designed to combat fraud and abuse in our industry. These and other similar lawsuits can involve significant defense costs, as well as significant monetary awards or penalties that may not be covered by our insurance. If our third- party insurance coverage and self- insurance coverage reserves are not adequate to cover these claims, it could have a material adverse effect on our business, results of operations and financial condition. Even if we are successful in our defense, lawsuits or regulatory proceedings could distract us from running our business or irreparably damage our reputation. Our insurance liability coverage may not be sufficient for our business needs. Although we maintain insurance consistent with industry practice, the insurance we maintain may not be sufficient to satisfy all claims made against us. We cannot assure you that claims will not be made in the future in excess of the limits of our insurance, and any such claims, if successful and in excess of such limits, may have a material adverse effect on our business or assets. We utilize historical data to estimate our reserves for our insurance programs. If losses on asserted claims exceed the current insurance coverage and accrued reserves, our business, results of operations and financial condition could be adversely affected. Changes in our annual insurance costs and self- insured retention limits depend in large part on the insurance market, and insurance coverage may not continue to be available to us at commercially reasonable rates, in adequate amounts or on satisfactory terms. Data Security and Privacy Risks Our business depends on the proper functioning, availability, and security of our information systems. Our operations may be disrupted if we are unable to effectively integrate, manage and maintain the security of our information systems. Our business depends on effective and secure information systems that assist us in, among other things, gathering information to improve the quality of consumer care, optimizing financial performance, adjusting consumer mix, monitoring regulatory compliance and enhancing staff efficiency. We rely on external service providers to provide continual maintenance, upgrading, and enhancement of our primary information systems used for our operational needs. The software we license for our various patient information systems supports intake, personnel scheduling, office clinical and centralized billing and receivables management in an integrated database, enabling us to standardize the care delivered across our network of offices and monitor our performance and consumer outcomes. Information systems may be vulnerable to damage from a variety of sources, including telecommunications or network failures, human acts and natural disasters. ~~The~~ **We have a significant** number of administrative employees working remotely ~~has increased substantially in recent years~~ , increasing our dependence on systems that facilitate remote access **to our system** , and we may experience increased risks as a result. To the extent providers fail to support the software or systems we use, or if we lose our software licenses, our operations could be negatively affected. Our business also depends on a comprehensive payroll and human resources system for basic payroll functions and reporting, payroll tax reporting, managing wage assignments and garnishments. We rely on an external service provider, ADP, to provide continual maintenance, upgrading and enhancement of our primary human resource and payroll systems. To the extent that ADP fails to support the software or systems, or any of the related support services provided by them, our internal operations could be negatively affected. Our business supports the use of EVV to electronically collect visit information when our caregivers and providers deliver home care services. Our solution uses a combination of IVR and GPS

enabled smartphones to capture time in and time out, mileage and travel time, as well as the completed care plan tasks. We license this software through CellTrak and partner with states that utilize other software. We rely on these vendors to provide continual maintenance and enhancements, as well as security of any protected data. To the extent that our EVV vendors fail to support these processes, our internal operations could be negatively affected. Under the 21st Century Cures Act, states must require the use of EVV for all Medicaid- funded personal care services and home health services that require an in- home visit by a provider. States that failed to meet the deadlines for implementation ~~may be subject to incremental reductions in federal funding~~ , **which include some** ~~absent approval of a good faith exemption. If any~~ states in which we operate ~~fail~~ **, are subject** to **incremental reductions in federal Medicaid** ~~properly and timely implement EVV and lose an amount of their~~ funding, **which may negatively impact the reimbursement we receive** ~~or~~ **for our services. In addition,** if ~~those~~ states adopt **new or modify existing** standards for EVV that are not compatible with our operations, our internal operations could be negatively affected. Further, to the extent that the EVV solutions that we use are determined to be noncompliant with federal or state EVV requirements, we could be subject to penalties. ~~The COVID- 19 pandemic also led to a substantial increase in administrative employees working remotely and, consequently, accessing our system remotely. As a result, we are more dependent on our systems that facilitate remote access and potentially could experience increased risks.~~ We have taken **and continue to take** precautionary measures designed to prevent problems that could affect our information systems. We have implemented backup of our key information systems that are designed to allow our operations to failover to our geographically separate disaster recovery datacenter with a quick return to operations for all sites and systems in the event our main datacenter becomes inoperable because of a natural disaster, attacks or other cause. All of our sites and branch offices have redundant connections to our primary and backup datacenters using data lines and cellular connections through VPN or MPLS. The key business functions for our main sites also have redundancies with key functions geographically split between our two main facilities, should one not be available due to the above **-** mentioned scenarios. While we believe these measures are reasonable, no system of information security is able to eliminate the risk of business disruptions, and we or our third- party vendors that we rely upon may experience system failures. If we experience a reduction in the performance, reliability, or availability of our information systems, our operations and ability to process transactions and produce timely and accurate reports could be adversely affected. If we experience difficulties with the transition and integration of information systems or are unable to implement, maintain, or expand our systems properly, we could suffer from, among other things, operational disruptions, regulatory problems, and increases in administrative expenses. The occurrence of any system failure could result in interruptions, delays, the loss or corruption of data and cessations or interruptions in the availability of systems, all of which could have a material, adverse effect on our financial position and results of operations and harm our business reputation. A cyber- attack or security breach could cause a loss of confidential consumer data, give rise to remediation and other expenses, expose us to liability under ~~HIPAA~~ **privacy laws** , consumer protection laws, common law and other legal theories, subject us to litigation and federal and state governmental inquiries, damage our reputation, **result in interruptions or delays to services,** adversely impact our financial results, and otherwise be disruptive to our business **. We, directly and through our vendors and other third parties, collect and store sensitive information, including proprietary business information, protected health information of our patients and personally identifiable information of our employees, patients and consumers** . We rely extensively on computer systems to manage clinical and financial data, to communicate with our consumers, payors, vendors and other third parties, and to summarize and analyze our operating results. ~~We~~ **Our personnel use devices that store or transmit information integral to the provision of services, and we** frequently exchange clinical and financial data with third parties in connection with our routine operations and in order to meet our contractual and regulatory obligations. ~~We~~ **The secure maintenance of this information and technology is critical to our business operations, and we** are required to comply with the federal and state privacy and security laws and requirements, including HIPAA **and** ~~. In addition, various states~~ **state privacy laws. We** ~~, including California, Colorado, Illinois, Nevada, New York, Massachusetts and Virginia~~ have **invested in** ~~enacted, and other states are expected to enact, laws and regulations concerning privacy, data protection and information~~ security **measures designed** ~~. To the extent we are subject~~ to **protect against the threat** ~~such legislation, including as a result~~ of **security breaches** ~~any creation, use or deployment of artificial intelligence, we may be required to modify our data processing practices and policies and to incur substantial costs and expenses in an~~ **and cyber- attacks** ~~effort to comply. These laws often provide for civil penalties for violations~~ , as well as ~~a private right~~ **cybersecurity systems, protocols and monitoring procedures. Each** of ~~action for~~ **these steps is intended to protect the confidentiality, integrity and availability of our** data ~~breaches~~ **and the systems and devices** that ~~may increase~~ **store and transmit such** data ~~breach litigation. We have invested in security measures designed to protect against the threat of security breaches and cyber- attacks, including email phishing schemes, malware and ransomware~~ . However **, despite these efforts** , our technology, and that of our third- party service providers, may fail to adequately secure the protected health information and personally identifiable information we create, receive, transmit and maintain in our databases. We may be at increased risk because we outsource certain services or functions to, or have systems that interface with, third parties. These third parties may store or have access to our data. The information systems of third parties are also subject to various risks, and a breach or attack affecting any of these third parties could harm our business. ~~Furthermore~~ **In addition** , ~~because~~ the ~~techniques used in cyber-~~ **rapid evaluation and increased adoption of artificial intelligence technologies may heighten our cybersecurity risks by making cybersecurity** attacks **more difficult to** ~~change frequently, they may not be immediately recognized, and we may experience or be affected by security or data breaches that remain undetected~~ ---- **detect** ~~for~~ **, contain** ~~an~~ **and mitigate** ~~extended time~~ . The current cyber threat environment presents increased risk for all companies, including companies in our industry. **Threats from malicious persons and groups, new vulnerabilities and advanced new attacks against our, or our vendors', information systems and devices create risk of cybersecurity incidents, including ransomware, malware and phishing incidents, in which third parties attempt to fraudulently induce our employees or our vendors' employees into disclosing usernames, passwords or other sensitive**

information, which can in turn be used for unauthorized access to our or our vendors' systems. We are regularly the target of attempted cybersecurity and other threats that could have a security impact, and we expect to continue to experience an increase in cybersecurity threats in the future **, as the volume and intensity of cyberattacks on healthcare entities and vendors continue to increase. Furthermore, because the tools and techniques used in cyber- attacks change frequently and may not be immediately recognized, we may be unable to anticipate techniques or implement adequate preventative measures, and we may experience or be affected by security or data breaches that remain undetected for an extended time. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. The rapid evolution and increased adoption of artificial intelligence technologies may intensify cybersecurity risks by making cyber- attacks more difficult to detect, contain or mitigate. Internal access management failures or vulnerabilities in hardware, software or applications could also result in the compromise of confidential data. We continue to prioritize the development and enhancement of controls and processes designed to protect our business, information systems and data from attack, damage or unauthorized access. As cyber threats continue to evolve and increase in volume and sophistication, we may be required to expend significant additional resources to continue to enhance our protective measures or to investigate and remediate security incidents or vulnerabilities. We may also be required to expend additional resources to comply with evolving federal and state requirements related to cybersecurity** . In spite of our policies, procedures and other security measures used to protect our computer systems and data, occasionally, we have experienced breaches that have required us to notify affected consumers and the government, and we have worked with consumers and the government to resolve such issues. While these past breaches have not had a significant adverse impact on our business or results of operations, there can be no assurance that we will not be subject to additional and / or more severe cyber- attacks or security breaches in the future. If we or any of our third- party service providers or certain other third- parties are subject to cyber- attacks or experience security or data breaches in the future, this could result in harm to consumers, **interruptions and delays in services provided to consumers,** loss, misappropriation, corruption, or unauthorized access of protected patient medical data or other information subject to privacy laws, disruption to our information technology systems and / or business, **the inability to access data,** reputational harm **, or adversely impact our financial results** . We may also be subject us to litigation and governmental enforcement actions (including under HIPAA and other applicable laws) as a result of cyber- attacks or security or data breaches, which could result in fines, settlement agreements, corrective action plans, and of which could have a material adverse effect on our business, financial position and results of operations. Some state laws provide a private right of action for data breaches, which may increase data breach litigation. **In addition, any significant cybersecurity event may require us to devote significant management time and resources to address and respond to any such event, interfere with the pursuit of other important business strategies and initiatives, and cause us to incur additional expenditures, which could be material, including to investigate such events, remedy cybersecurity problems, recover lost data, prevent future compromises and adapt systems and practices in response to such events. Moreover, there is no assurance that any remedial actions will meaningfully limit the success of future attempts to breach our information systems, particularly because malicious actors are increasingly sophisticated and utilize tools and techniques specifically designed to circumvent security measures, avoid detection and obfuscate forensic evidence, which means we may be unable to identify, investigate or remediate effectively or in a timely manner.** Further, our insurance coverage intended to address cybersecurity and data breach risks may not be sufficient to cover all losses or the types of claims that may arise. Human Capital Risks We may not be able to attract and retain qualified personnel or we may incur increased costs in doing so. We must attract and retain qualified non- executive personnel in the markets in which we operate in order to provide our services. We compete for personnel with other providers of social and medical services as well as companies in other service- based industries. As the labor market continues to be tight and unemployment remains at low levels, the competition for employees has increased, which will continue to impact our ability to attract and retain new caregivers. In addition, the competition for skilled healthcare staff has increased significantly, which continues to impact our ability to attract and retain qualified skilled healthcare staff. To the extent that the United States **experiences** ~~continues to have~~ low unemployment levels and shortages of caregivers and skilled healthcare staff, it may continue to hinder our ability to attract and retain sufficient caregivers and skilled healthcare staff to meet the continuing demand for both our non- clinical and clinical services. **Staffing challenges may be exacerbated by the implementation of a final rule issued by CMS in May 2024 that establishes minimum staffing standards for Medicare- and Medicaid- certified long- term care facilities, to be phased in over five years.** Moreover, ~~the~~ increased staffing challenges have resulted in, and may continue to result in, increased labor ~~cost~~ **costs** to satisfy our staffing requirements. We may not be able to offset higher labor costs by increasing the rates we charge for our services. In addition, if we fail to attract and retain qualified and skilled personnel, our ability to conduct our business operations effectively and our results of operations would be harmed. Competition may be greater for managers, such as regional and agency directors. Our ability to attract and retain personnel depends on several factors, including our ability to provide employees with attractive assignments and competitive benefits and salaries. ~~The loss of one or more of the members of the executive management team or the inability of a new management team to successfully execute our strategies may adversely affect our business.~~ If we are unable to attract and retain qualified personnel, we may be unable to provide our services, the quality of our services may decline, and we could lose consumers and referral sources. We depend on the services of our executive team members. Our success depends upon the continued employment of certain members of our executive team to manage several of our key functional areas, including operations, business development, accounting, finance, human resources, marketing, information systems, contracting and compliance. Moreover, the current competitive labor market may make it more difficult to retain or hire members of our executive team. The departure of any member of our executive team may materially adversely affect our operations **, and any replacement for a departed member of our executive team may be unable to**

execute our strategies at the same level . Risk Related to Our Indebtedness Restrictive covenants in the agreements governing our indebtedness may adversely affect us. Our credit facility contains various covenants that limit our ability to take certain actions, including our ability to: • make, create, incur, assume or suffer to exist any lien; • sell or otherwise dispose of assets, including capital stock of subsidiaries; • merge, consolidate, sell or otherwise dispose of all or substantially all our assets; • make restricted payments, including paying dividends and making certain loans and investments; • create, incur, assume, permit to exist, or otherwise become or remain directly or indirectly liable with respect to any additional indebtedness; • enter into transactions with affiliates; • engage in any ~~line of~~ additional line of business; • amend our organization documents; • make a change in accounting treatment or reporting practices, change our name or change our jurisdiction of organization or formation; • make any payment or prepayment of certain subordinated indebtedness; • enter into agreements that restrict dividends and certain other payments from subsidiaries; **and** • engage in a sale leaseback or similar transaction ~~; and • make certain capital expenditures~~ . In addition, our credit facility contains restrictive covenants and requires us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet these restrictive covenants and financial ratios and tests may be affected by events beyond our control, and we cannot assure you that we will meet those tests. A breach of any of these covenants could result in a default under our credit facility. Upon the occurrence of an event of default under our credit facility, all amounts outstanding under our credit facility may become immediately due and payable and all commitments under our credit facility to extend further credit may be terminated. The acceleration of any such indebtedness will result in an event of default under all of our other long- term indebtedness. General Risks Factors beyond our control, including inclement weather, natural disasters, acts of terrorism, pandemics, riots, civil insurrection or social unrest, looting, protests, strikes and street demonstrations, may impact our ability to provide services. Adverse weather conditions, natural disasters, acts of terrorism, military conflict, pandemics, riots, civil insurrection or social unrest, looting, protests, strikes or street demonstrations may prevent our employees from providing authorized services. We are not paid for authorized services that are not delivered due to these events. Furthermore, prolonged disruptions as a result of such events in the markets in which we operate could disrupt our relationships with consumers, patients, caregivers and employees and referral sources located in affected areas and, in the case of our corporate office, our ability to provide administrative support services, including billing and collection services. ~~For example, one of our support centers and a number of our agencies are located in the Midwestern United States, New York and California, increasing our exposure to blizzards and other major snowstorms, ice storms, tornadoes, flooding, wildfires and earthquakes.~~ The impact of disasters and similar events is inherently uncertain. Moreover, adverse weather conditions may become more frequent and / or severe as the result of climate change. **We** ~~Moreover, we~~ could be affected by climate change and other environmental issues to the extent such issues adversely affect the general economy, adversely impact our supply chain or increase the costs of supplies needed for our operations, or otherwise result in disruptions impacting the communities in which our facilities are located. In addition, legal requirements regulating greenhouse gas emissions and energy inputs or otherwise associated with the transition to a lower carbon economy may increase in the future, which could increase our costs associated with compliance and otherwise disrupt and adversely affect our operations. The impact of these or other factors beyond our control could have an adverse effect on our business, financial position and results of operations. The emergence and effects related to a potential future pandemic, epidemic, or outbreak of infectious disease could adversely impact our business and future results of operations and financial condition ~~. As a provider of healthcare and personal care services~~ , **and** we ~~have been and continue to be affected by the health and economic effects of COVID- 19. COVID- 19 continues to evolve, and we may not be able to predict or effectively respond to future developments and any such developments could materially affect our business, results of operations, financial position, and cash flows. The extent of any ongoing and future impact will depend on, among other factors, the duration and severity of any severe or widespread outbreaks of COVID- 19; the availability, acceptance and effectiveness of medical treatments and vaccines; the impact of any mutations of the virus; and the impact of COVID- 19 and related government actions on the healthcare industry and broader economy. Moreover, in response to the COVID- 19 pandemic, the federal government authorized financial relief for eligible healthcare providers through the Provider Relief Fund. Although recipients are not required to repay funding received, provided that they attest to and comply with certain terms and conditions, changes to interpretations of guidance on the underlying terms and conditions may result in derecognition of amounts previously received. We received amounts from the Provider Relief Fund and returned any unused funds. We have also acquired and may in the future acquire companies that received funds from the Provider Relief Fund. We believe we have structured our use of these funds in accordance with the terms and conditions. However, we may be subject to or incur costs from related government actions including payment recoupment, audits and inquiries by governmental authorities, and criminal, civil or administrative penalties. In addition, if a future pandemic, epidemic, or outbreak of an infectious disease or other public health crisis were to affect our markets, our business could be adversely affected. Any such crisis could diminish public trust in healthcare providers, particularly those that are treating or have treated patients affected by contagious diseases. Patient volumes may decline or volumes of uninsured and underinsured patients may increase, depending on the economic circumstances surrounding the pandemic, epidemic or outbreak. Further, a pandemic, epidemic or outbreak could adversely impact our business by causing a temporary shutdown or difficulty accessing patients, particularly facility- based patients, by causing disruption or delays in supply chains for materials and products, or by causing staffing shortages. Although we have contingency plans in place, including infection control plans, the potential impact of, as well as the public' s response and governmental responses to, any such future pandemic, epidemic or outbreak of infectious disease with respect to our markets is difficult to predict and could adversely impact our business and future results of operations and financial condition. We~~ may be more vulnerable to the effects of a public health emergency than other businesses due to the nature of our **business and** consumers **. As a provider of healthcare and personal care services, we are subject to the health and economic effects of public health conditions. If a pandemic, epidemic, or outbreak of** ~~and~~ **an infectious disease or** ~~the~~ **other** ~~physical proximity required~~ **public health crisis were to affect our markets, our business could be adversely affected. Any such**

crisis could diminish public trust in healthcare providers, particularly those that are treating or have treated patients affected by **contagious diseases. Patient volumes may decline** ~~our~~ **or volumes of uninsured and underinsured patients may increase, depending on the economic circumstances surrounding the pandemic, epidemic or outbreak. Further, a pandemic, epidemic or outbreak could adversely impact our business by causing a temporary shutdown or difficulty accessing patients, particularly facility- based patients, by causing disruption or delays in supply chains for materials and products, or by causing staffing shortages. Our business may be more vulnerable to the effects of a public health crisis than other businesses due to the health status of our typical consumer and patient** ~~operations~~ **populations** . The majority of our consumers and patients are older individuals ~~, many of whom~~ **who** may **experience** ~~be more vulnerable than the general public during a pandemic or in a public health emergency due to~~ complex medical conditions or socioeconomic factors. Our employees may also be at greater risk of contracting contagious diseases due to their increased exposure to vulnerable consumers. Due to the physical proximity required to offer many of our services, our employees could have difficulty attending to our consumers if social distancing policies or quarantines are instituted in response to a public health **crisis** ~~emergency. In addition, the Company may expand existing internal policies in a manner that may have a similar effect. If another pandemic occurs, we could again suffer losses to our consumer population or a reduction in the availability of our employees~~ . Further, we could face litigation if our employees or customers contract contagious diseases while our employees perform their duties. ~~Accordingly~~ **Although we have contingency plans in place** , ~~certain~~ **including infection control plans, the potential impact of, as well as the** public ~~health emergencies~~ **' s response and governmental responses to, any such future pandemic, epidemic or outbreak of infectious disease with respect to our markets is difficult to predict and** could ~~have a material adverse~~ **adversely impact** ~~effect on~~ our **business and future results of operations and** financial condition ~~and results of operations~~ .