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Harborside Healthcare Announces Entry into Hospice Arena

Boston Firm to Provide Hospice Services in Long-Term Care Facilities

For Immediate Release: Boston, MA (October 3, 2006) Harborside Healthcare, one of the nation's most respected skilled-nursing and long-term care companies, announces the opening of 'Caring Choices' Hospice,' a new subsidiary which provides hospice services.

Caring Choices Hospice was created in partnership with StratiMed, a hospice management company founded in 1997 in response to a national underutilization of hospice by nursing home residents. Their goal was to facilitate long term care entrance into hospice, while assuring services are appropriate, medically sound, and in full regulatory compliance. Harborside shares that goal in its new partnership with StratiMed as of September 15th. Caring Choices is now licensed and certified in the state of Connecticut as of September 15th.

A hospice is a centralized program of palliative and supportive services to dying persons and their families, in the form of physical, psychological, social and spiritual care; such services are provided by an interdisciplinary team of professionals and volunteers. Caring Choices Hospice was developed to celebrate the patient's life, and allow the patient and family every opportunity for this life to pass with comfort, both physically and psychologically, and with the utmost dignity and respect.

Employees receive extensive training and orientation to provide hospice care and to ensure that there is a familiarity of care between the patient and the patient's family. This cross-training will improve our residents' access to the proper level of care, specifically in the areas of pain management and emotional support. The patient and family will receive additional focused care in the form of caregiver visits, bereavement counseling, and spiritual counseling. A hospice-trained physician will consult with the patient's primary care physician on symptom and pain management.

"What Harborside is about is healthcare", said Chairman and CEO Damian Dell'Anno. "Our goal is to meet the needs of the people we serve, in the most appropriate setting, with care, compassion and quality. With Caring Choices, we aim to assist at the most difficult time of life, and ease residents' passage onward." Under Medicare, hospice is a program of care delivered by a Medicare - approved hospice. Medical and support services for the management of a terminal illness are furnished under a plan-of-care established by the beneficiary's attending physician and the hospice team. The Medicare Hospice benefit provides for specialized services geared towards the patient's needs at the end of life. Approximately three percent of Harborside patients receive hospice care, while five to ten percent could in fact be eligible.

Harborside's goal is to provide for the continuum of services required by the people utilizing it's core long-term and skilled nursing care services. The objective of Caring Choices is to ensure that hospice care is available for those who are eligible and who would benefit from it.

Caring Choices expects to expand its service areas to include Ohio and Massachusetts and be operational in 2007 - then beyond that to look for opportunities in RI, Indiana, and New Hampshire. Caring Choices will operate as a separate healthcare provider from Harborside Healthcare's skilled nursing and long-term care facilities. In markets served by both Caring Choices and Harborside facilities, Caring Choices will be one option for patients who would benefit from hospice services. For more information, please visit www.caringchoiceshospice.com

Harborside operates 67 facilities and employs more than 9,000 full and part-time employees in nine states in New England, the Mid-Atlantic and the Midwest. Nearly 7,000 individuals receive care at its facilities in Connecticut, Indiana, Maryland, Massachusetts, New Hampshire, New Jersey, Ohio, Kentucky and Rhode Island. The company was founded in 1987.

On September 18th, Harborside announced the acquisition of 11 skilled nursing, Alzheimer's care and assisted living centers in Kentucky.

On May 10, 2006, Harborside announced entry into the Home Healthcare arena with the acquisition of Physician's Home Care of Quincy MA.

On May 1, 2006, Harborside announced the acquisition of three facilities in Connecticut formerly operated by the Diocese of Bridgeport.

Harborside facilities have won more national quality awards than any other long-term care provider of its size, including five of the prestigious American Health Care Association (AHCA) Step II Quality Awards recognizing long-term care organizations that seek excellence in all aspects of providing care and services. In 2002, Harborside Healthcare was one of the first in its profession to adopt an industry-driven, voluntary quality initiative in which the company and its employees pledged to follow a formal code of conduct and ethical management practices known as "Quality First." For more information, please see www.harborsidehealthcare.com.