



NEWS RELEASE

FOR IMMEDIATE RELEASE

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**BAYLOR HEALTH CARE SYSTEM AND SELECT MEDICAL CORPORATION
ANNOUNCE TEXAS ATTORNEY GENERAL DOES NOT OPPOSE JOINT VENTURE**

DALLAS, TEXAS — January 6, 2011 — Baylor Health Care System (“Baylor”) and Select Medical Corporation (“Select”) today announced that they have received notification from the Office of the Attorney General of the State of Texas that it has completed its review of the proposed joint venture between affiliates of Baylor and Select and does not oppose the joint venture.

The previously announced joint venture consists of a proposed partnership between Baylor Institute for Rehabilitation and a wholly-owned subsidiary of Select that is designed to create a regional rehabilitation network to serve the Dallas-Fort Worth metroplex. The proposed joint venture will expand access to comprehensive inpatient medical rehabilitation and outpatient physical rehabilitation care throughout the metroplex. It will encompass two freestanding medical rehabilitation hospitals (representing a total of 136 beds) and 30 outpatient physical rehabilitation centers. In addition, the joint venture will manage three Baylor inpatient rehabilitation units (representing a total of 57 beds).

The transaction, which is expected to close on or before April 1, 2011, is subject to the closing conditions set forth in definitive joint venture agreements.

Baylor Health Care System is a faith-based organization providing support and services to a network of acute care hospitals and related health care entities that provide patient care, medical education, research and community service. Baylor serves nearly 1.4 million patients each year and recorded \$3.4 billion in total operating revenue, \$3.9 billion in total assets and \$468 million in community benefit in fiscal year 2009. Baylor’s network of 212 access points includes 26 owned/operated/ventured/affiliated hospitals, 21 ambulatory surgical/endoscopy centers, 31 satellite outpatient locations, four senior centers and 131 HealthTexas Provider Network physician clinics. HealthTexas Provider Network is the largest group of employed physicians in the state of Texas.

Based in Mechanicsburg, Pennsylvania, Select Medical Corporation is a leading provider of specialized health care encompassing inpatient medical rehabilitation, outpatient physical rehabilitation, contract therapy and long-term acute care. At present, the company has 25,900 employees and operates hospitals and outpatient clinics in 41 states and the District of Columbia. Its parent company is Select Medical Holdings Corporation, which is listed on the New York Stock Exchange as SEM.

Select Medical Holdings Corporation (NYSE: SEM) is a Public Company

Certain statements contained herein that are not descriptions of historical facts are “forward-looking” statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Because such statements include risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements due to factors including but not limited to those described in Select Medical's filings with the Securities and Exchange Commission.