



FOR IMMEDIATE RELEASE

October 9, 2013

**Almost Family Announces Strategic Investment in
Accountable Care Organization Enablement Company**

Acquires Controlling Interest in Imperium Health Management, LLC

LOUISVILLE, Ky., October 9, 2013 -- Almost Family, Inc. (NASDAQ: AFAM) today announced that it has acquired a controlling interest in Imperium Health Management, LLC, (Imperium) a Louisville, KY based, development-stage enterprise that provides strategic health management services to Accountable Care Organizations (ACO's).

Company Comments

William B. Yarmuth, Chairman and CEO commented on the investment: "We are extremely excited to make this very strategic investment to participate in the ACO space. We have always believed that home health plays a key role in containing costs. Now, by linking physicians with home health care through the ACO vehicle we believe we should be able to deliver even greater savings to the healthcare system. We look forward to developing the Imperium ACO model in markets in which we currently provide home health services as well as in new markets we can develop together."

C. Steven Guenther, President added: "With Imperium we seek to innovate using risk-based predictive models, earlier and more frequent home health interventions where appropriate and information sharing across providers to support better and more cost-effective clinical decisions. Through improved care management, in a coordinated effort lead by primary care physicians, with nurses and home health agencies using evidence-based clinical standards, we will seek to reduce avoidable hospitalizations, emergent care, and non-impactful health care services. Stated simply, we will work together with primary care physicians to manage high-cost patients in lower-cost settings, hopefully generating, and sharing in savings, to the Medicare program."

Gary Thompson, Imperium CEO and Gary Albers, Imperium COO issued a joint statement: "Our goal at Imperium is returning healthcare to the control of physicians. Like Almost Family, we believe integration of independent physician practices and home health at the local level and in patients' homes is critical to ACO success. We simply must keep patients out of institutional settings and in their own homes to control costs and achieve savings against the CMS benchmarks. As we searched for strategic partners to help us with our mission it became extremely obvious that Almost Family, like-minded and a national leader in home health care was the right partner for us and for our strategic future. We're extremely excited to have the opportunity to work hand-in-hand to drive health care costs down for the benefit of the Medicare program."

Yarmuth concluded: "We are extremely pleased to welcome Imperium's co-founders, Gary Thompson CEO and Gary Albers COO, along with all the employees of Imperium into our care delivery and management family. Their relentless focus, on the formation of Imperium and the pursuit of their vision and business plan, has made this investment by Almost Family possible."

Information about Imperium

Imperium was founded in 2011 by Thompson, a former managed care executive, and Albers, a former health care provider executive, for purposes of assisting independent primary care physician practices in establishing and successfully operating ACO's first made possible by 2010's Affordable Care Act. Imperium currently provides on-going management services to 4 ACO's under contract, 3 of which are in current Almost Family service territory, and has also assisted 9 additional ACO's in making application to CMS for future operation. The companies intend to work together toward the development of additional ACO relationships in markets in which Almost Family also provides home health services.

Information about Accountable Care Organizations

The Patient Protection and Affordable Care Act passed in 2010 established the existence of the Accountable Care Organization and the Medicare Shared Savings Program (MSSP) under which providers can form Accountable Care Organizations. ACO's seek to lower the total health care spend on a group of Traditional Medicare Beneficiaries for which they are accountable over the three year MSSP contract between the ACO and CMS. The ACO program provides financial incentives to physicians and other provider types to coordinate efforts to lower the total cost and improve the quality of health care for enrollees in the traditional Medicare program.

Under the program, CMS will compare actual health care spending for the specific group of attributed beneficiaries to an ACO-specific benchmark (the ACO's medical cost budget developed from the historical base line for that same specific group of attributed beneficiaries trended forward to the measurement year) to determine whether any savings have been generated. If savings exceed a prescribed minimum the ACO is eligible to receive 50% of the savings up to a prescribed limit so long as the ACO has also met the prescribed quality measures. If the savings that are produced by the ACO are below the prescribed minimum, the ACO receives no shared savings payment. Under its arrangements with its ACO customers Imperium would be entitled to receive a share of the MSSP payments, if any, earned by each ACO.

The Federal Centers for Medicare and Medicaid Services (CMS) has granted limited waivers to Stark and other referral limitations for ACO's to encourage participation and innovation.

Terms of the Transaction

Under the terms of the investment Almost Family has acquired a 61.5% interest in Imperium for a total of \$5.8 million of which \$3 million remains in Imperium for its general corporate purposes including pursuit of its business plan. The transaction allows for additional investments to be made by Almost Family to fund Imperium's development. The Company will consolidate the operations of Imperium into its financial results. The transaction is not expected to have a material impact on Almost Family's results of operations in 2013 and may be slightly dilutive to earnings in 2014.

About Almost Family

Almost Family, Inc., founded in 1976, is a leading regional provider of home health nursing services, with locations in Florida, Ohio, Kentucky, Connecticut, New Jersey, Massachusetts, Missouri, Illinois, Pennsylvania and Indiana (in order of revenue significance). Almost Family, Inc. and its subsidiaries operate a Medicare-certified segment and a personal care segment. Almost Family operates over 167 locations in 10 U.S. states.

Forward Looking Statements

All statements, other than statements of historical facts, included in this news release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terminology such as "may," "will," "expect," "believe," "estimate," "project," "anticipate," "continue," or similar terms, variations of those terms or the negative of those terms. These forward-looking statements are based on the Company's current plans, expectations and projections about future events.

Because forward-looking statements involve risks and uncertainties, the Company's actual results could differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The potential risks and uncertainties which could cause actual results to differ materially include: regulatory approvals or third party consents may not be obtained; the impact of further changes in healthcare reimbursement systems, including the ultimate outcome of potential changes to Medicare reimbursement for home health services and to Medicaid reimbursement due to state budget shortfalls; the ability of the Company to maintain its level of operating performance and achieve its cost control objectives; changes in our relationships with referral sources; the ability of the Company to integrate acquired operations; government regulation; health care reform; pricing pressures from Medicare, Medicaid and other third-party payers; changes in laws and interpretations of laws relating to the healthcare industry; and the Company's self-insurance risks. For a more complete discussion regarding these and other factors which could affect the Company's financial performance, refer to the Company's various filings with the Securities and Exchange Commission, including its filing on Form 10-K for the year ended December 31, 2012, in particular information under the headings "Special Caution Regarding Forward-Looking Statements" and "Risk Factors." With regard to the Company's investment in Imperium, in particular given that it is a development-stage enterprise, there can be no assurance that its operational and developmental objectives will be realized or that any savings in healthcare spending or any participation in Medicare Shared Savings Program payments will be realized. The Company undertakes no obligation to update or revise its forward-looking statements.

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