

LHC Group, Inc
Form DEF 14A
April 30, 2009

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

LHC GROUP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

**LHC GROUP, INC.
420 West Pinhook Road, Suite A
Lafayette, Louisiana 70503**

To Our Stockholders:

You are cordially invited to attend the 2009 Annual Meeting of Stockholders of LHC Group, Inc. to be held on Thursday, June 11, 2009 at 10:00 a.m. (Central time), at our principal executive offices located 420 West Pinhook Road, Suite A, Lafayette, Louisiana 70503.

Regardless of whether you plan to attend the meeting, I urge you to submit your proxy as soon as possible to assure your representation at the meeting. For your convenience, you can vote your proxy in any one of the following ways:

Use the Internet at the web address shown on your proxy card;

Use the touch-tone telephone number shown on your proxy card; or

Complete, sign, date and return the enclosed proxy card in the postage-paid envelope provided.

Instructions regarding each method of voting are contained in the accompanying Proxy Statement and on the enclosed proxy card. Even if you return a proxy card, if you attend the Annual Meeting, you may withdraw your proxy and vote your shares in person.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Keith G. Myers
Chief Executive Officer

April 30, 2009

YOUR VOTE IS IMPORTANT.

**PLEASE VOTE YOUR PROXY BY INTERNET, TELEPHONE OR BY COMPLETING,
DATING AND SIGNING THE ENCLOSED PROXY CARD AND RETURNING IT
PROMPTLY IN THE ENVELOPE PROVIDED.**

Table of Contents

**LHC GROUP, INC.
420 West Pinhook Road, Suite A
Lafayette, Louisiana 70503**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON THURSDAY, JUNE 11, 2009**

To the Stockholders of LHC Group, Inc.:

Notice is hereby given that the Annual Meeting of Stockholders (the "Annual Meeting") of LHC Group, Inc. (the "Company" or "LHC Group"), will be held at our principal executive offices located at 420 West Pinhook Road, Suite A, Lafayette, Louisiana 70503, on Thursday, June 11, 2009 at 10:00 a.m. (Central time) for the following purposes:

1. To elect the three (3) Class I directors nominated by the Company's Board of Directors to serve for a term of three (3) years and until their successors are elected and qualified;
2. To ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2009; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Only stockholders of record at the close of business on April 16, 2009 are entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof. Your attention is directed to the Proxy Statement accompanying this Notice for more complete information regarding the matters to be acted upon at the Annual Meeting.

The Board of Directors of the Company unanimously recommends stockholders vote FOR the director nominees named in the Proxy Statement and FOR ratification of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2009.

Stockholders are cordially invited to attend the meeting in person.

By Order of the Board of Directors

Keith G. Myers
Chief Executive Officer

April 30, 2009

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 11, 2009. LHC GROUP'S PROXY STATEMENT AND ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 ARE AVAILABLE AT <http://investor.lhcgroup.com/annuals.cfm>

IMPORTANT

YOUR PROXY IS IMPORTANT. REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE YOUR PROXY AS SOON AS POSSIBLE BY INTERNET, TELEPHONE OR BY COMPLETING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT WITHOUT DELAY IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

TABLE OF CONTENTS

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON THURSDAY, JUNE 11, 2009

PROPOSALS FOR STOCKHOLDER ACTION

PROPOSAL 1 ELECTION OF DIRECTORS

PROPOSAL 2

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PRINCIPAL ACCOUNTING FEES AND SERVICES

AUDIT COMMITTEE PRE-APPROVAL POLICY

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

2008 DIRECTOR COMPENSATION

MANAGEMENT

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

2008 GRANTS OF PLAN-BASED AWARDS

OUTSTANDING EQUITY AWARDS AT 2008 FISCAL YEAR-END

2008 OPTION EXERCISES AND STOCK VESTED

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

SECURITY OWNERSHIP OF DIRECTORS, OFFICERS AND PRINCIPAL STOCKHOLDERS

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

COMPENSATION COMMITTEE REPORT

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

GENERAL INFORMATION

Table of Contents

LHC GROUP, INC.

PROXY STATEMENT

**ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON THURSDAY, JUNE 11, 2009**

Introduction

This Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of LHC Group, Inc. (the Company or LHC Group) from holders of the Company's common stock, \$0.01 par value (Common Stock). These proxies will be voted for the purposes set forth herein at the 2009 Annual Meeting of Stockholders of the Company (the Annual Meeting) to be held at 10:00 a.m. (Central time) on Thursday, June 11, 2009, at the Company's principal executive offices, located at 420 West Pinhook Road., Suite A, Lafayette, Louisiana 70503, and at any adjournments or postponements thereof. The Notice of Annual Meeting, this Proxy Statement, and the proxy card are being first mailed to stockholders on or about May 6, 2009.

**Important Notice Regarding the Availability of Proxy Materials for
the Annual Meeting of Stockholders to be held on June 11, 2009.**

This Proxy Statement and LHC Group's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 are available at <http://investor.lhcgroup.com/annuals.cfm>.

At the Annual Meeting, our stockholders will vote on the following matters:

1. The election of the three (3) Class I directors nominated by the Company's Board of Directors to serve for a term of three (3) years and until their successors are elected; and
2. The ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2009.

Stockholders will also transact any other business that may properly come before the Annual Meeting. Once the business of the Annual Meeting concludes, members of our management and representatives of KPMG LLP, our independent registered public accounting firm, will be present to respond to appropriate questions from stockholders.

The Company's Board of Directors recommends stockholders vote FOR the election of the Board of Directors three Class I nominees for director, and FOR ratification of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2009.

Proxy Solicitation

You are receiving this Proxy Statement and proxy card because you own shares of Common Stock. This Proxy Statement describes matters we would like you to vote on at the Annual Meeting. It also provides you with information about these matters so that you can make an informed decision.

Table of Contents

A proxy is your legal designation of another person, also referred to as a proxy, to vote your shares of stock. The written document providing notice of the Annual Meeting and describing the matters to be considered and voted on is called a proxy statement. The document used to designate a proxy to vote your shares of stock is called a proxy card. Our board of directors has designated two of our officers, Keith G. Myers and John L. Indest, as proxies for the Annual Meeting.

If your shares are held by a bank or brokerage firm, you are considered the beneficial owner of shares held in street name. If your shares are held in street name, your bank or brokerage firm (the record holder of your shares) forwarded these proxy materials, along with a voting instruction card, to you.

Voting Procedures

Only record holders of shares of Common Stock outstanding as of the close of business on April 16, 2009 (the Record Date) are entitled to notice of and to a vote at the Annual Meeting and any adjournment(s) or postponement(s) thereof. Each share of Common Stock is entitled to one vote on all matters presented at the Annual Meeting. Stockholders do not have the right to cumulate their votes, and proxies cannot be voted for a greater number of persons than the number of nominees named. As of the close of business on the Record Date, the Company had approximately 18,435,335 shares of Common Stock outstanding and entitled to vote. The Notice of Annual Meeting, this Proxy Statement, and the proxy are being first mailed to stockholders on or about May 6, 2009.

Stockholders may cast their votes in several different ways. When voting for director nominees, they may (1) vote FOR all the nominees, (2) WITHHOLD authority to vote for all nominees, or (3) WITHHOLD authority to vote for one or more nominees but vote FOR the other nominees. With respect to other proposals, stockholders may vote FOR or AGAINST the proposal, or they may ABSTAIN from voting on the proposal.

Inspectors of election will be appointed to, among other things, determine the number of shares of Common Stock outstanding, the shares represented at the Annual Meeting, the existence of a quorum and the authenticity, validity and effect of proxies, to receive votes of ballots, to hear and determine all challenges and questions in any way arising in connection with the right to vote, to count and tabulate all votes and to determine the results. Computershare Trust Company, N.A., our independent transfer agent and registrar, will count the votes.

Voting in person. You may vote your shares at the Annual Meeting either in person or by proxy. If you are a registered stockholder and you attend the Annual Meeting, you may deliver your completed proxy card in person. Additionally, we will pass out written ballots to registered stockholders who desire to vote in person at the Annual Meeting. Appointing a proxy in response to this solicitation will not affect a stockholder's right to attend the Annual Meeting and to vote in person. If you are a beneficial owner of shares held in street name, you may not vote your shares in person at the Annual Meeting unless you obtain a power of attorney or proxy form from the record holder of your shares. All holders of shares of Common Stock, or individuals holding their duly appointed proxies, may attend the Annual Meeting. Stockholders must present a form of photo identification to be admitted to the Annual Meeting. If you hold your shares in street name, you are invited to attend the Annual Meeting, but you will also need to bring a copy of your bank or brokerage statement evidencing your ownership as of the Record Date to gain admittance.

Voting by proxy. We urge you to vote by proxy even if you intend to attend the Annual Meeting. If you are a registered stockholder at the close of business on the Record Date, you may vote by proxy through the Internet, telephone or by completing, signing, dating and returning the enclosed proxy card, in time to be received by us prior to the Annual Meeting. If you vote by Internet or telephone, you do not need to return your proxy card. You may *not* vote by more than one method. If you submit your vote by more than one method, only the last vote that is submitted will be counted and each previous vote will be disregarded. If you do not return your proxy card and do not attend the Annual Meeting, and the shares are registered in your name, your shares will not be voted.

Table of Contents

If a proxy card is properly executed, returned to us and not revoked, the shares represented by the proxy will be voted in accordance with the instructions set forth on the proxy card. If a proxy card is signed but no instructions are given with respect to the matters to be acted upon, the shares represented by the proxy will be voted FOR the election of the three Class I directors nominated by the Company's Board of Directors and FOR the proposal to ratify KPMG LLP as the Company's independent registered public accounting firm for fiscal 2009. We know of no other business that will be presented at the Annual Meeting. However, if any other matter properly comes before the stockholders for vote at the Annual Meeting, your shares will be voted in accordance with the best judgment of the proxy holders.

Voting through a bank or broker. If your shares are held in street name, your bank or brokerage firm forwarded these proxy materials, as well as voting instructions, to you. Please follow the instructions on the voting instruction card to vote your shares. Please refer to the instructions provided with the enclosed proxy card for information on the voting methods available to you; your bank or brokerage firm may allow you to vote by telephone or the Internet.

As the beneficial owner of the shares, you have the right to direct your record holder how to vote your shares, and the record holder is required to vote your shares in accordance with your instructions. If you do not give instructions to your bank or brokerage firm, it will nevertheless be entitled to vote your shares with respect to routine items, but it will not be permitted to vote your shares with respect to non-routine items. In the case of a non-routine item, your shares will be considered broker non-votes on that proposal. Proposal 1 Election of Directors and Proposal 2 Ratification of Independent Registered Public Accounting Firm are both routine matters; there are no non-routine proposals contained in this Proxy Statement for vote at the Annual Meeting. However, if a non-routine proposal properly comes before the Annual Meeting, broker non-votes will not affect the outcome of the proposal.

Quorum and Votes Required

A quorum must be present at the Annual Meeting to conduct any business. The Company's Bylaws require, the presence, in person or by proxy, of the holders of a majority of the voting power of the outstanding shares of Common Stock entitled to vote at the Annual Meeting to constitute a quorum. If a quorum is not present, a majority of the shares so represented may adjourn the Annual Meeting to another date, time or place. No notice of the time and place of the adjourned meeting will be given if the adjournment is for less than 30 days and no new record date is fixed for the adjourned meeting. Abstentions, and shares represented by proxies reflecting abstentions, and broker non-votes will be treated as shares present for quorum purposes.

If a quorum is present at the Annual Meeting, the following stockholder votes will be required for approval of the proposals to be submitted at the Annual Meeting:

Proposal 1 Election of Directors. The nominees for director shall be elected by a plurality of the votes cast at the Annual Meeting, meaning that the three nominees for director receiving the greatest number of votes will be elected. If you vote WITHHOLD with respect to one or more nominees, your shares will not be voted with respect to the person or persons indicated. If you hold your shares in street name, your failure to indicate voting instructions to your bank or broker will not affect the outcome of Proposal 1, as the election of directors is a routine matter on which banks and brokers may vote even in the absence of specific voting instructions from you.

Proposal 2 Ratification of Independent Registered Public Accounting Firm. The ratification of KPMG LLP shall be approved by a majority of the voting power of the outstanding shares of Common Stock present, in person or by proxy, and entitled to vote on the matter. If you indicate ABSTAIN on your proxy card, it will have the same effect as a vote against Proposal 2. If you hold your shares in street name, your failure to indicate voting instructions to your bank or broker will not affect the outcome of Proposal 2, as the ratification of an independent registered public accounting firm is a routine matter on which banks and brokers may vote

even in the absence of specific voting instructions from you.

Table of Contents

Expenses

The Company will bear the cost of solicitation, including the preparation, assembly, printing and mailing of the proxy materials. Copies of solicitation materials will be furnished to brokerage houses, fiduciaries and custodians holding shares for forwarding to the beneficial owners, of the shares. The Company may reimburse such persons for their costs in forwarding the solicitation materials to such beneficial owners. The original solicitation of proxies by mail may be supplemented by solicitations in person by telephone, facsimile or other means by directors, officers or employees of the Company. No additional compensation will be paid to these individuals for any such services. Except as described above, the Company does not presently intend to solicit proxies other than by mail.

Revocability

Any registered stockholder returning the accompanying proxy card may revoke that proxy at any time prior to its exercise by (a) giving written notice to the Company of such revocation, prior to or at the Annual Meeting, to the Company, Attention: Secretary, 420 West Pinhook Road, Suite A, Lafayette, Louisiana 70503, (b) voting in person at the Annual Meeting, or (c) executing and delivering to the Company, prior to or at the Annual Meeting, a proxy card bearing a later date. Your presence at the Annual Meeting will not in itself revoke your proxy; you must obtain a ballot and vote at the Annual Meeting to revoke your proxy. Unless properly revoked, the shares represented by proxies received by the Board of Directors will be voted at the Annual Meeting.

PROPOSALS FOR STOCKHOLDER ACTION

**PROPOSAL 1
ELECTION OF DIRECTORS**

The Company's Board of Directors (the Board) is composed of three classes, designated Class I, Class II and Class III, with one class of directors elected each year for a three-year term. The term of the three Class I directors expires at the 2009 Annual Meeting. The current Class I directors are Monica F. Azare, John B. Breaux and Dan S. Wilford. The Board is currently composed of nine directors, seven of whom are outside, non-employee directors and two of whom are employee directors. The Nominating and Corporate Governance Committee conducted an evaluation of each Class I nominee to evaluate his or her performance prior to recommending to the Board his or her nomination for an additional term as a director. Upon the recommendation of the Nominating and Corporate Governance Committee, which consists entirely of independent directors, the Board nominated Ms. Azare and Messrs. Breaux and Wilford for election as Class I directors to serve until the Annual Meeting of Stockholders in 2012 and until their successors have been elected and qualified.

The term of the Class II directors will expire at the 2010 annual meeting of stockholders of the Company and the term of the Class III directors will expire at the 2011 annual meeting of stockholders of the Company. Each succeeding term of a director in Class I, Class II, or Class III shall be for three years and until his or her successor is elected and qualified. The current Class II Directors are John L. Indest, Ronald T. Nixon and W.J. Billy Tauzin and the current Class III directors are Keith G. Myers, Ted W. Hoyt and George A. Lewis.

The Certificate of Incorporation of the Company (the Certificate of Incorporation) presently provides that the number of directors shall be fixed from time to time by the Board pursuant to a resolution adopted by a majority of the Board. At each annual meeting of stockholders, or special meeting in lieu thereof, after the initial classification of the board of directors, the successors to directors whose terms will then expire will be elected to serve from the time of election and qualification until the third annual meeting following election, or special meeting held in lieu thereof. The number of directors may be changed only by resolution of the Board. Any additional directorships resulting from an increase

in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The Company's Bylaws further provide that newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board resulting from death, resignation, retirement,

Table of Contents

disqualification, removal from office or other cause shall, unless otherwise provided by law or by resolution of the Board, be filled only by a majority vote of the directors then in office, though less than a quorum, and directors so chosen shall hold office until their successor is elected and qualified.

Each nominee for election at the Annual Meeting has consented to be a candidate and to be so named in this Proxy Statement and to serve, if elected. The Company does not know of any reason why any nominee would be unable or, if elected, will decline to serve as a director. If any nominee becomes unable or unwilling to serve, the Board may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the persons named as proxies will vote your shares for the substitute nominees, unless you have voted **WITHHOLD** with respect to the original nominee.

Directors are elected by a plurality of the votes cast at the Annual Meeting. Therefore, the three nominees for election as Class I directors who receive the greatest number of votes cast at the Annual Meeting will be elected to the Board as Class I directors. Shares may not be voted cumulatively, and proxies cannot be voted for a greater number of persons than the number of nominees named. Unless otherwise specified, the accompanying proxy will be voted FOR Monica F. Azare, John B. Breaux and Dan S. Wilford as Class I directors.

Information Regarding Nominees for Class I Director:

**Nominees for Election of Class I Directors for a Three-Year Term
Expiring at the Annual Meeting of Stockholders to be held in Fiscal 2012**

Nominee	Age	Position
Monica F. Azare	42	Director and Nominee
John B. Breaux	65	Director and Nominee
Dan S. Wilford	68	Director and Nominee

Monica F. Azare was appointed as a director in November 2007. Ms. Azare currently serves as Senior Vice President of Corporate Communications for Verizon Communications. Prior to this position, Ms. Azare served as Senior Vice President-Public Policy and Government Affairs for Verizon Communications and before that she served as Executive Director and Senior Counsel of Federal Affairs for Verizon Wireless. Ms. Azare's distinguished career also includes service as Vice President, Federal Affairs for Insight Communication in New York and Chief Counsel to House Energy and Commerce Chairman Billy Tauzin. Ms. Azare is a member of the Federal Communications Bar Association, Louisiana State Bar Association and the Corporate Counsel of Women of Color, and she was selected as a 2006-2007 David Rockefeller Fellow. She currently serves on several boards of directors, including the Business Council of New York State, the New York City Partnership and the Louisiana State University College Advisory Board. A Louisiana native, Ms. Azare received a Bachelor of Arts degree from Louisiana State University and a Juris Doctorate from the Southern University Law Center.

Senator John B. Breaux was appointed as a director in February 2007. Senator Breaux has served in both the United States Senate and the United States House of Representatives. Most recently and until his retirement from public service in 2005, Senator Breaux represented the State of Louisiana in the United States Senate for three consecutive terms, beginning in 1987. Prior to his tenure as Senator, he served as a member of the United States House of Representatives from 1972 to 1987. Senator Breaux began his career in 1972 with his election as a Democrat to the Ninety-second Congress in a special election. At the age of 28, he was then the youngest member of the United States House of Representatives. Senator Breaux was re-elected to the seven succeeding Congresses and served until January 3, 1987, when he won election as a Democrat to the United States Senate. Senator Breaux was re-elected in

both the 1992 and 1998 elections. As a member of the Senate, Senator Breaux was Chair and ranking minority member of the Senate Committee on Aging, a member of the Senate Finance Committee and a member of the Senate Commerce Committee where he was recognized as a non-partisan consensus builder. Senator Breaux is a Director of CSX Corporation and a former Senior Managing Director of the Clinton Group, an investment advisory firm. Senator Breaux is also a partner

Table of Contents

in The Breaux-Lott Leadership Group, a partnership that offers strategic advice, consulting and lobbying services, which he co-founded in 2008.

Dan S. Wilford was appointed as a director in November 2005. He served from 1984 through 2002 as the President and Chief Executive Officer of Memorial Hermann Healthcare System headquartered in Houston, Texas. Mr. Wilford also served as Chief Executive Officer of a community-based, not-for-profit, multi-hospital system in the greater Houston area. Prior to that, he was associated for ten years with Hillcrest Medical Center in Tulsa, Oklahoma and was President of North Mississippi Health Services in Tupelo, Mississippi. He currently serves on the board of directors for one other publicly traded company, Healthcare Realty Trust, and twelve not-for-profit organizations, most of which are related to the healthcare industry. In March 2009, Mr. Wilford was inducted into Modern *Healthcare's* Hall of Fame.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF MONICA F. AZARE, JOHN B. BREAU AND DAN S. WILFORD AS CLASS I DIRECTORS.

Information Regarding Directors Continuing in Office:

**Class II Directors Continuing in Office Whose Terms
Expire at the Annual Meeting of Stockholders to be held in Fiscal 2010**

Nominee	Age	Position
John L. Indest	57	Director, President, Chief Operating Officer and Secretary
Ronald T. Nixon	53	Director
W.J. Billy Tauzin	65	Director

John L. Indest currently serves as our President and Chief Operating Officer. He previously served as an Executive Vice President and as our Senior Vice President and Chief Operating Officer of Home-Based Services, beginning in May 2001. Mr. Indest has also served as a director since June 2000 and as Secretary since August 2004. From November 1998 to May 2001, Mr. Indest served as our Vice President. Prior to joining us in November 1998, Mr. Indest served as President, Chief Executive Officer and co-owner of Homebound Care, Inc., a regional home health provider. Mr. Indest has testified before the United States House of Representatives Ways and Means Subcommittee on healthcare issues and was co-chairman of the Louisiana Task Force on Ethics, overseeing compliance issues applicable to home health and hospice in the state of Louisiana. He formerly served on the Board of Directors of the National Association of Home and Hospice Care. Mr. Indest is a registered nurse with a Masters of Science in Health Services Administration from the University of St. Francis.

Ronald T. Nixon has served as a director since July 2001. Mr. Nixon is a founding principal of The Catalyst Group, formed in 1990, which manages two small business investment companies, or SBICs, one participating preferred SBIC and three private equity investment funds. Prior to joining The Catalyst Group, Mr. Nixon operated companies in the manufacturing, distribution and service sectors. Mr. Nixon serves on the board of directors of numerous private companies. Mr. Nixon holds a Bachelor of Science degree in Mechanical Engineering from the University of Texas at Austin and is a registered Professional Engineer in the State of Texas.

Congressman W.J. Billy Tauzin was appointed as our Lead Director in January 2005. In December 2004, Congressman Tauzin was named President and Chief Executive Officer of the Pharmaceutical Research and Manufacturers of America, a trade group that serves as one of the pharmaceutical industry's top lobbying groups. He

served 12 terms in the U.S. House of Representatives, representing Louisiana's 3rd Congressional District since being first sworn in 1980. From January 2001 through December 2004, Congressman Tauzin served as Chairman of the House Committee on Energy and Commerce. He also served as a senior member of the House Resources Committee and Deputy Majority Whip. Prior to being a member of Congress, Congressman Tauzin was a member of the Louisiana State Legislature, where he served as Chairman of the House Natural Resources Committee and Chief Administration Floor Leader. He currently serves on the Board

Table of Contents

of Directors of Entergy Corporation. Congressman Tauzin received a Bachelor of Arts Degree from Nicholls State University and a Juris Doctorate from Louisiana State University.

**Class III Directors Continuing in Office Whose Terms
Expire at the Annual Meeting of Stockholders to be held in Fiscal 2011**

Nominee	Age	Position
Keith G. Myers	49	Director, Chairman and Chief Executive Officer
Ted W. Hoyt	54	Director
George A. Lewis	72	Director

Keith G. Myers is our co-founder and has served as Chairman of the Board and Chief Executive Officer (or similar positions in our predecessors) since 1994. Mr. Myers served as President of the Company from 1994 to 2007. Prior to joining us, Mr. Myers founded, co-owned and operated Louisiana Premium Seafoods, Inc., an international food processing, procurement and distribution company. In 1999, Mr. Myers was named Business Executive of the Year by the Louisiana Rural Health Association. Mr. Myers received credentials from the National Association for Home Care and Hospice in 1999 and was granted credentials by the Healthcare Financial Management Association in 2005. Mr. Myers has been an active participant in the Home Health Top 100 since 2002 and has participated in the preparation of numerous white papers and presentations to members of both the United States Senate and House of Representatives, specifically related to health care reimbursement methodologies. In June 2003, Mr. Myers received the Regional Entrepreneur of the Year for outstanding performance in the field of Healthcare Services and was officially inducted as a lifetime member of The National Entrepreneur of the Year Hall of Fame in November 2003.

Ted W. Hoyt has served as a director since August 2004. Mr. Hoyt has practiced corporate and tax law since 1977, counseling both private and public corporations. Since January 1999, Mr. Hoyt has served as the Managing General Partner of the law firm of Hoyt & Stanford, LLC. Mr. Hoyt was the co-founder of Omni Geophysical Corporation, which later became Omni Energy Services, a publicly traded company, for which he served as a director and officer from 1986 to 1996. Mr. Hoyt has also served as a tax attorney with the National Office of the Internal Revenue Service. Mr. Hoyt holds a Bachelor of Science degree in Business Administration from the University of Louisiana at Lafayette, a Juris Doctorate from Louisiana State University and a Masters in Tax Law degree from Georgetown University. Mr. Hoyt is admitted to the Bar in Louisiana, New York and the District of Columbia.

George A. Lewis has served as a director since August 2004. Mr. Lewis commenced his auditing career with Arthur Andersen & Co. in 1958. In 1963, Mr. Lewis joined the firm of Broussard, Poche, Lewis & Breaux, L.L.P., Certified Public Accountants, where he served as an audit partner until his retirement in 1996. Since 1996, Mr. Lewis has primarily served as an expert audit and accounting defense witness with respect to litigation involving various nationally recognized accounting firms. Mr. Lewis has served on various committees of the American Institute of Certified Public Accountants, including as a member of the Auditing Standards Board from 1990 through 1994, and as a member of the Society of Louisiana Certified Public Accountants. Mr. Lewis has authored an education course to train CPAs to deal with issues of the elderly. Mr. Lewis holds CPA certificates in Louisiana and Texas and is a member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants. Mr. Lewis received a Bachelor of Science from Louisiana State University. Mr. Lewis serves as the financial expert on our Audit Committee.

Table of Contents**PROPOSAL 2****RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee appointed KPMG LLP (KPMG) as the Company's independent registered public accounting firm on August 20, 2008. The Company's Audit Committee has also selected KPMG to conduct the annual audit of the financial statements of the Company for its fiscal year ending December 31, 2009. KPMG has no financial interest, direct or indirect, in the Company and does not have any connection with the Company except in its professional capacity as an independent auditor.

The ratification by the stockholders of the selection of KPMG as independent auditors is not required by law or by the Bylaws of the Company. The Board, consistent with the practice of many publicly held corporations, is nevertheless submitting this selection to its stockholders. If our stockholders do not ratify the selection of KPMG at the Annual Meeting, the Audit Committee intends to reconsider its selection of independent KPMG for the fiscal year ending December 31, 2009. Even if the selection of KPMG is ratified, the Audit Committee, in its sole discretion, may appoint a different independent registered public accounting firm at any time during the fiscal year if the Audit Committee determines that such a change would be in the best interests of the Company and our stockholders.

Representatives of KPMG will be present at the Annual Meeting and will have an opportunity to make a statement, if they so desire, and to respond to appropriate questions.

The ratification of KPMG requires the approval of a majority of the voting power of the outstanding shares of Common Stock present, in person or by proxy, and entitled to vote on the matter. Abstentions will have the same effect as a vote against the ratification of KPMG as the Company's independent registered public accounting firm.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF KPMG AS THE COMPANY'S INDEPENDENT AUDITORS.

PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table shows the fees related to the audit and other services provided by Ernst & Young LLP (Ernst & Young) for the fiscal years ended December 31, 2007 and 2008, preceding the replacement of Ernst & Young as the Company's registered public accounting firm in August 2008:

Fee Category	2008	2007
Audit Fees	\$ 145,958	\$ 1,226,482
Audit-Related Fees		
Tax Fees	209,030	
Other Fees	3,500	3,500
Total	\$ 358,488	\$ 1,229,982

The following table shows the fees related to the audit and other services provided by KPMG for the fiscal year ended December 31, 2008:

Fee Category	2008
Audit Fees	\$ 1,172,000
Audit-Related Fees	
Tax Fees	
Other Fees	1,500
Total	\$ 1,173,500

Audit Fees includes the aggregate fees billed for professional services rendered for the audit of the Company's annual financial statements for fiscal years 2008 and 2007 and internal control over

Table of Contents

financial reporting, review of the Company's Form 10-K and Form 10-Qs for the same periods, and quarterly reviews.

Audit-Related Fees includes the aggregate fees billed for assurance and related services rendered during fiscal years 2008 and 2007 that were reasonably related to the performance of the audit or review of the Company's financial statements and that are not reported in Audit Fees.

Tax Fees includes the aggregate fees billed for tax compliance, tax advice, and tax planning services rendered during fiscal years 2008 and 2007.

Other Fees for Ernst & Young includes the aggregate fees billed for the EY Online accounting and research tool used by the Company during fiscal years 2008 and 2007. Other fees for KPMG include the Accounting Research Online tool used by the Company during fiscal 2008.

AUDIT COMMITTEE PRE-APPROVAL POLICY

The Company's Audit Committee approves all fees to be paid for audit and audit related services, tax and all other fees of the Company's independent auditor prior to engagement for those services.

The Audit Committee is responsible for the appointment, compensation and oversight of the work performed by the Company's independent registered public accounting firm. The Audit Committee has adopted a pre-approval policy requiring it to pre-approve all audit and audit-related services and permitted non-audit services provided by the independent registered public accounting firm in order to assure that the provision of such services does not impair the auditor's independence. The Audit Committee pre-approved all fiscal 2008 services by Ernst & Young and KPMG.

The Audit Committee pre-approval policy sets forth specified audit, audit-related, tax and other permissible non-audit services, if any, for which pre-approval is provided up to a maximum fee amount set annually by the Audit Committee. Pre-approval is generally provided for up to one year, and any proposed services exceeding these fee levels must be specifically pre-approved by the Audit Committee. Any services not specifically identified in the policy must receive specific pre-approval. The Company's independent registered public accounting firm and management periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval policy. The Audit Committee may also pre-approve particular services on a case-by-case basis and may delegate specific pre-approval authority to one or more members pursuant to a resolution adopted by the unanimous approval of the Audit Committee, provided that the member reports any pre-approved services at the next regularly scheduled Audit Committee meeting.

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Independence of Directors

The Board has reviewed the independence of each of the Company's directors in light of the definition of "independent director" as that term is defined in the NASDAQ Marketplace Rules. As a result of this review, the Board affirmatively determined that all of the directors are independent, with the exception of Keith G. Myers and John L. Indest, each of whom is employed by the Company.

In finding all of its non-employee directors independent, the Board evaluated two relationships that did not constitute related party transactions and therefore do not require disclosure pursuant to Regulation S-K Item 404(a). In considering whether Dan S. Wilford qualifies as an independent director, the Board reviewed the Company's employment agreement with Ned B. Wilford, the brother of Dan Wilford. The Board concluded that the employment

agreement did not disqualify Dan Wilford as an independent director. Secondly, in considering whether Senator John B. Breaux qualifies as an independent director, the Board reviewed the Company's relationship with The Breaux-Lott Leadership Group, which provides consulting services to the Company, and of which Senator Breaux is a partner. The Board concluded that the relationship did not disqualify Senator Breaux as an independent director.

Table of Contents

The Board has also established a Lead Director Position, to be held by an independent, non-employee director. W.J.

Billy Tauzin was appointed the Lead Director of the Company in January 2005. The Lead Director's duties include meeting with the Chairman of the Board to review financials, preparing and reviewing agendas and minutes of committee meetings and pertinent Board issues, presiding as Chair of the Nominating and Corporate Governance Committee, and presiding at regularly scheduled executive sessions of the Board and other meetings of the independent, non-employee directors.

Committees and Meetings of the Board of Directors

During the Company's fiscal year ended December 31, 2008, the Board held six meetings and took additional action, from time to time, by unanimous written consent. Additionally, each director attended at least 75% of the aggregate number of meetings held in fiscal 2008 by the Board and its committees on which he or she served. The Board has established a policy encouraging all members of the Board to attend each annual meeting of the stockholders of the Company, particularly with respect to those directors who are up for election at any such annual meeting. Four members of the Board attended the 2008 Annual Meeting of Stockholders.

The Board has adopted a policy relating to non-management executive sessions. Under this policy, periodically, and no less frequently than semi-annually, the Board meets in executive sessions in which management directors and other members of management do not participate. The non-management members of the Board held three executive sessions during fiscal 2008.

The Board has established three committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee, each of which is briefly described below. The following table shows the current membership of these committees.

Name	Audit	Compensation	Nominating and Corporate Governance
George A. Lewis	X*	X	
Ted W. Hoyt	X	X	
Ronald T. Nixon	X		X
Dan S. Wilford		X	X
Monica F. Azare		X*	
W.J. Tauzin			X*
John B. Breaux			X

* Committee Chairs

Audit Committee

During fiscal 2008, the Audit Committee held eleven meetings and took additional action by unanimous written consent. The members of the Audit Committee are Messrs. Lewis, Hoyt and Nixon, with Mr. Lewis serving as chair. The Board has determined that each member of the Audit Committee is independent as defined in Rule 10A-3 of the Securities Exchange Act of 1934 (the Exchange Act) and the NASDAQ Marketplace Rules, including rules specifically governing audit committee members. The Board has also determined that Mr. Lewis is an audit committee

financial expert, as defined by Item 407(d)(5) of Regulation S-K. A description of Mr. Lewis' qualifications with regard to his status as an audit committee financial expert can be found in the biographical information set forth under Proposal #1 in this Proxy Statement.

The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act and the charter of the Audit Committee is available on the Company's website at www.LHCGroup.com.

The Audit Committee performs the following functions, among others:

Annually reviews and implements the Audit Committee charter and reports to the Board;

Table of Contents

Selects the Company's independent audit firm (whose duty it is to audit the financial statements of the Company and its subsidiaries for the fiscal year in which it is appointed) and has the sole authority and responsibility to approve all audit and engagement fees and terms, as well as all significant permitted non-audit services by the Company's independent auditors;

Meets with the auditors and management of the Company to review and discuss the scope of the audit and all significant matters related to the audit;

Reviews the adequacy and effectiveness of the Company's internal controls regarding accounting and financial matters;

Reviews the Company's financial statements and discusses them with management and the independent auditors;

Reviews and discusses with management the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;

Reviews and discusses with management the Company's quarterly reports on Form 10-Q and annual reports on