

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 23, 2020

U.S. PHYSICAL THERAPY, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or
organization)

1-11151
(Commission File Number)

76-0364866
(I.R.S. Employer Identification No.)

1300 West Sam Houston Parkway South,
Suite 300, Houston, Texas
(Address of Principal Executive Offices)

77042
(Zip Code)

Registrant's telephone number, including area code: (713) 297-7000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value	USPH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Business Update

As disclosed in a series of Current Reports on Form 8-K filings beginning in March 2020 and as further described in U.S. Physical Therapy, Inc. (the “Company”) first quarter 2020 earnings release and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed with the Securities and Exchange Commission on May 21, 2020, as the result of the impact of COVID-19 on operations, management took a number of steps to reduce costs and stem short-term operating losses. At its lowest point in April, physical therapy patient volume declined to between 40% and 45% of normal. Remedial actions taken by management included temporarily or permanently closing approximately 70 of 585 clinics. The Company furloughed or terminated approximately 2,150 people or 40% of the Company’s employees. Salaries for many of those employees that remained on the job were significantly reduced and other cost cutting measures were taken.

In May, the Company generated an operating profit. During the month, for open physical therapy clinics, patient volume ran at approximately 65% of normal. The Company’s industrial injury prevention business has been less effected by the pandemic and ran at approximately 90% of normal in May.

Ten of the Company’s temporarily closed clinics have now reopened. This week the Company’s open physical therapy clinics are operating at approximately 70% of normal patient volume however this varies significantly by region. Approximately 300 employees temporarily furloughed have returned to work on either a part time or full time basis.

The Company currently has more than \$40,000,000 in cash and \$55,000,000 outstanding under its bank credit line. The Company is in compliance with all loan covenants.

Summary of Risk Factors

Our business can be affected by certain risks, uncertainties and factors which include, but are not limited to:

- the multiple effects of the impact of public health crises and epidemics/pandemics, such as the novel strain of COVID-19 (coronavirus) which the financial magnitude cannot be currently estimated;
- changes as the result of government enacted national healthcare reform;
- changes in Medicare rules and guidelines and reimbursement or failure of our clinics to maintain their Medicare certification and/or enrollment status;
- revenue we receive from Medicare and Medicaid being subject to potential retroactive reduction;
- business and regulatory conditions including federal and state regulations;
- governmental and other third party payor inspections, reviews, investigations and audits, which may result in sanctions or reputational harm and increased costs;
- compliance with federal and state laws and regulations relating to the privacy of individually identifiable patient information, and associated fines and penalties for failure to comply;
- changes in reimbursement rates or payment methods from third party payors including government agencies, and changes in the deductibles and co-pays owed by patients;
- revenue and earnings expectations;
- legal actions, which could subject us to increased operating costs and uninsured liabilities;
- general economic conditions;
- availability and cost of qualified physical therapists;
- personnel productivity and retaining key personnel;
- competitive, economic or reimbursement conditions in our markets which may require us to reorganize or close certain clinics and thereby incur losses and/or closure costs including the possible write-down or write-off of goodwill and other intangible assets;
- competitive environment in the industrial injury prevention business, which could result in the termination or non-renewal of contractual service arrangements and other adverse financial consequences for that service line;
- acquisitions, purchase of non-controlling interests (minority interests) and the successful integration of the operations of the acquired businesses;
- maintaining our information technology systems with adequate safeguards to protect against cyber-attacks;
- a security breach of our or our third party vendors’ information technology systems may subject us to potential legal action and reputational harm and may result in a violation of the Health Insurance Portability and Accountability Act of 1996 of the Health Information Technology for Economic and Clinical Health Act;
- maintaining adequate internal controls;
- maintaining necessary insurance coverage;
- availability, terms, and use of capital; and
- weather and other seasonal factors.

Refer to Item 1A. Risk Factors in the Company’s Quarterly Report on Form 10-Q filed on May 21, 2020 and the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 filed on February 28, 2020 for a listing and explanation of risk factors.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

U.S. PHYSICAL THERAPY, INC.

Dated: June 23, 2020

By: /s/ LAWRENCE W. MCAFEE

Lawrance W. McAfee

Chief Financial Officer

(duly authorized officer and principal financial and accounting officer)
