

HEALTHSOUTH CORP
Form 3
September 05, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *

Â BROPHY R GREGORY

(Last) (First) (Middle)

ONE HEALTHSOUTH PARKWAY

(Street)

BIRMINGHAM,Â ALÂ 35243

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)

08/31/2006

3. Issuer Name and Ticker or Trading Symbol
HEALTHSOUTH CORP [HLSH]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer ___ Other
(give title below) (specify below)
President, Diagnostic Division

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

HEALTHSOUTH Common Stock

15,000

D Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

Date Exercisable Date Expiration

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

Title Amount or

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D)

6. Nature of Indirect Beneficial Ownership (Instr. 5)

				Number of Shares		or Indirect (I) (Instr. 5)	
Non-Qualified Stock Option (right to buy)	02/27/2007 ⁽¹⁾	02/27/2016	HEALTHSOUTH Common Stock	30,000	\$ 5.11	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BROPHY R GREGORY ONE HEALTHSOUTH PARKWAY BIRMINGHAM, AL 35243	Â	Â	Â President, Diagnostic Division	Â

Signatures

/s/ R. Gregory
Brophy

09/01/2006

__Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The option becomes exercisable in annual installments over a three-year period, at the rate of 33.3% per year commencing one year after the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.