UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

For the Fiscal Year Ended

December 31, 2004

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-4034

DAVITA INC.

601 Hawaii Street
El Segundo, California 90245
Telephone number (310) 536-2400

Delaware	**51-0354549**
(State of incorporation)	**(I.R.S. Employer Identification No.)**

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

Class of Security:	**Registered on:**
Common Stock, $0.001 par value	New York Stock Exchange
Common Stock Purchase Rights	New York Stock Exchange

The Registrant has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and has been subject to such filing requirements for the past 90 days.

Disclosure of delinquent filers pursuant to Item 405 of Regulation S-K will be in the Registrant's definitive proxy statement, which is incorporated by reference in Part III of this Form 10-K.

The Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

As of June 30, 2004, the number of shares of the Registrant's common stock outstanding was approximately 100.2 million shares and the aggregate market value of the common stock outstanding held by non-affiliates based upon the closing price of these shares on the New York Stock Exchange was approximately $3.1 billion.

As of February 1, 2005, the number of shares of the Registrant's common stock outstanding was approximately 99.0 million shares and the aggregate market value of the common stock outstanding held by non-affiliates based upon the closing price of these shares on the New York Stock Exchange was approximately $4.2 billion.

Documents incorporated by reference

Portions of the Registrant's proxy statement for its 2005 annual meeting of stockholders are incorporated by reference in Part III of this Form 10-K.

PART I

Item 1. Business.

The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act are made available free of charge through the Company's website, located at http://www.davita.com, as soon as reasonably practicable after the reports have been filed with the Securities and Exchange Commission, or SEC. The SEC also maintains a website at http://www.sec.gov where these reports and other information about the Company can be obtained.

Overview

DaVita Inc. is a leading provider of dialysis services in the United States for patients suffering from chronic kidney failure, also known as end stage renal disease, or ESRD. We currently operate or provide administrative services to approximately 660 outpatient dialysis centers located in 37 states and the District of Columbia, serving approximately 54,000 patients. We also provide acute inpatient dialysis services in approximately 370 hospitals. All other activities, which currently account for approximately 4% of our consolidated revenues, relate to our core business of providing renal care services.

Gambro Healthcare Acquisition. On December 6, 2004, we entered into an agreement to acquire Gambro Healthcare, Inc., or Gambro Healthcare, one of the largest dialysis service providers in the United States, for a purchase price of approximately $3.05 billion in cash. We currently plan to finance this transaction and refinance our existing credit facility through the issuance of notes and the entry into a new senior secured credit facility. In conjunction with the acquisition, we will enter into a 10 year product supply agreement with Gambro Renal Products Inc. to provide a significant majority of our dialysis equipment and supplies. We expect that the acquisition will increase our revenues by more than 80% based on 2004 levels. The timing of the completion of the acquisition transaction is dependent on the government's Hart-Scott-Rodino antitrust review process. On February 18, 2005, the Company received a request from the Federal Trade Commission, or FTC, for additional information in connection with the acquisition. This request extends the waiting period imposed by the Hart-Scott-Rodino Act until thirty days after the Company and Gambro Healthcare have substantially complied with the request, unless that period is voluntarily extended by the parties or is terminated sooner by the FTC. In connection with obtaining antitrust clearance, we may decide to, or the FTC or other regulatory agencies with jurisdiction may require us to, divest certain of our or Gambro Healthcare's dialysis centers. The description of our business environment and risks that follow generally apply to Gambro Healthcare.

The dialysis industry

The loss of kidney function is normally not reversible. ESRD is the stage of advanced kidney impairment that requires routine dialysis treatments or a kidney transplant to sustain life. Dialysis is the removal of toxins, fluids and salt from the blood of ESRD patients by artificial means. Patients suffering from ESRD generally require dialysis at least three times per week for the rest of their lives.

Since 1972, the federal government has provided universal reimbursement for dialysis under the Medicare ESRD program regardless of age or financial circumstances. Under this system, Congress establishes Medicare reimbursement rates for dialysis treatments and related supplies, tests and medications. Approximately 70% of our patients are under the Medicare reimbursement programs. Medicare reimbursements account for approximately 50% of our total revenues.

ESRD patient base

There are more than 300,000 ESRD dialysis patients in the United States. The recent historical compound annual growth rate in the number of ESRD dialysis patients has been approximately 4% to 5%. The growth rate is attributable to the aging of the population, increased incidence rates for diseases that cause kidney failure such as diabetes and hypertension, lower mortality rates for dialysis patients, and growth rates of minority populations with higher than average incidence rates of ESRD.

Treatment options for ESRD

Treatment options for ESRD are hemodialysis, peritoneal dialysis and kidney transplantation.

- *Hemodialysis*

Hemodialysis, the most common form of ESRD treatment, is usually performed in outpatient facilities (centers). It may also be done while a patient is hospitalized, or at home. The hemodialysis machine uses an artificial kidney, called a dialyzer, to remove toxins, fluids and salt from the patient's blood. The dialysis process occurs across a semi-permeable membrane that divides the dialyzer into two distinct chambers. While blood is circulated through one chamber, a pre-mixed fluid is circulated through the other chamber. The toxins, salt and excess fluids from the blood cross the membrane into the fluid, allowing cleansed blood to return into the patient's body. Each hemodialysis treatment typically lasts approximately three and one-half hours. Hemodialysis is usually performed three times per week.

- *Peritoneal dialysis*

A patient generally performs peritoneal dialysis at home. The most common methods of peritoneal dialysis are continuous ambulatory peritoneal dialysis, or CAPD, and continuous cycling peritoneal dialysis, or CCPD. All forms of peritoneal dialysis use the patient's peritoneal, or abdominal, cavity to eliminate fluid and toxins. Because it does not involve going to a center three times a week for treatment, peritoneal dialysis is an alternative to hemodialysis for patients who desire more freedom in their lifestyle. However, peritoneal dialysis is not a suitable method of treatment for many patients, including patients who are unable to perform the necessary procedures and those at greater risk of peritoneal infection.

CAPD introduces dialysis solution into the patient's peritoneal cavity through a surgically placed catheter. Toxins in the blood continuously cross the peritoneal membrane into the dialysis solution. After several hours, the patient drains the used dialysis solution and replaces it with fresh solution. This procedure is usually repeated four times per day.

CCPD is performed in a manner similar to CAPD, but uses a mechanical device to cycle dialysis solution through the patient's peritoneal cavity while the patient is sleeping or at rest.

- *Transplantation*

Although transplantation, when successful, is generally the most desirable form of therapeutic intervention, the shortage of suitable donors, side effects of immunosuppressive pharmaceuticals given to transplant recipients and dangers associated with transplant surgery for some patient populations limit the use of this treatment option.

Services we provide

In 2004, outpatient hemodialysis treatments, peritoneal dialysis treatments and hospital inpatient hemodialysis treatments accounted for approximately 88%, 8% and 4% of our total dialysis treatments, respectively.

Outpatient dialysis services

We currently operate or provide administrative services to approximately 660 outpatient dialysis centers that are designed specifically for outpatient hemodialysis. Throughout our network of outpatient dialysis centers, we also provide training, supplies and on-call support services to our peritoneal dialysis patients. With the introduction of smaller, easier to use and portable technologies, we expect home hemodialysis to become an attractive treatment option for some patients.

As required by law, we contract with a nephrologist or a group of affiliated nephrologists to provide medical director services at each of our centers. In addition, other nephrologists may apply for practice privileges to treat their patients at our centers. Each center has an administrator, typically a registered nurse, who supervises the day-to-day operations of the center and its staff. The staff of each center typically consists of registered nurses, licensed practical or vocational nurses, patient care technicians, a social worker, a registered dietician, biomedical technician support, and other administrative and support personnel.

Many of our centers offer services for home dialysis patients, primarily CAPD and CCPD. Home dialysis services consist of providing equipment and supplies, training, patient monitoring and follow-up assistance to patients who prefer and are able to receive peritoneal dialysis treatments in their homes. Registered nurses train patients and their families or other caregivers to perform either peritoneal or hemodialysis at home. In 2004, peritoneal dialysis and home-based hemodialysis accounted for approximately 8% of our total dialysis treatments.

Hospital inpatient dialysis services

We provide inpatient dialysis services, excluding physician services, to patients in approximately 370 hospitals. We render these services for a per-treatment fee individually negotiated with each hospital. When a hospital requests our services, we typically administer the dialysis treatment at the patient's bedside or in a dedicated treatment room in the hospital. Inpatient dialysis services are required for patients with acute kidney failure resulting from trauma, patients in the early stages of ESRD, and ESRD patients who require hospitalization for other reasons. In 2004, acute inpatient dialysis services accounted for approximately 4% of our total dialysis treatments.

Ancillary services

Ancillary services, which currently account for approximately 4% of our total revenues, consist of the following:

- *ESRD laboratory services*. We own a separately incorporated licensed clinical laboratory, located in Florida, specializing in ESRD patient testing. This specialized laboratory provides both routine laboratory tests covered by the Medicare composite reimbursement rate for dialysis and other physician-prescribed laboratory tests for ESRD patients. Our laboratory provides these tests primarily for our own ESRD patients throughout the United States. These tests are performed to monitor a patient's ESRD condition, including the adequacy of dialysis, as well as other diseases a patient may have. Our laboratory utilizes a proprietary information system which provides information to our dialysis centers regarding critical outcome indicators.
- *Management fee income*. We currently operate or provide administrative services to 34 dialysis centers which are wholly-owned or majority-owned by third parties. Management fees are established by contract and are typically based on a percentage of revenues generated by the centers. We also provide management and administrative services to 17 physician-owned vascular access clinics that provide surgical and interventional radiology services for dialysis patients.
- *Disease management services.* We provide advanced care management services to employers, health plans and government agencies for employees/members diagnosed with chronic kidney disease, including renal failure. Through a combination of clinical coordination, medical claims analysis, and information technology, we endeavor to assist our customers and patients in obtaining superior renal health care and improved clinical outcomes, as well as helping to reduce overall medical costs.
- *ESRD clinical research programs.* DaVita Clinical Research conducts research trials of new pharmaceuticals and medical devices with dialysis patients, and provides administrative support for research conducted by DaVita-affiliated nephrology practices.

Quality care

We believe our reputation for providing quality care is a key factor in attracting patients and physicians and in securing contracts with healthcare plans. We engage in organized and systematic efforts through our quality management programs to monitor and improve the quality of services we deliver. These efforts include the development and implementation of patient care policies and procedures, clinical education and training programs, education and mentoring related to our clinical guidelines and protocols, and audits of the quality of services rendered at each of our centers.

Our quality management programs are monitored by our field personnel under the direction of our Chief Medical Officer and Director of Quality Management. As of December 31, 2004, approximately 50 regional quality management coordinators implemented these programs in our centers. The corporate and regional teams work with each center's multi-disciplinary quality management team, including the medical director, to implement the programs.

We have a national physician council of twelve physicians to advise our senior management on all clinical issues impacting our operations across the country. In addition, we have an eight-physician laboratory advisory committee which acts as a medical advisory board for our clinical laboratory. Our Chief Medical Officer participates in the national physician council and laboratory advisory committee meetings.

Sources of revenue—concentrations and risks

Direct dialysis services, including the administration of pharmaceuticals during dialysis treatments, currently represent approximately 96% of our total revenues, with lab services, management fees, disease management services and research programs accounting for the balance. Approximately 60% of our total dialysis revenues are from government-based programs, principally Medicare and Medicaid, with the balance from more than 600 commercial payors, under more than 1500 commercial healthcare plans and approximately 300 managed-care contracts. Approximately 50% of our total dialysis revenues are associated with Medicare patients, which represent nearly 70% of our total patients. No single payor accounts for more than 5% of total dialysis revenues.

Medicare reimbursements

Under the Medicare ESRD program, reimbursement rates for dialysis are established by Congress. The Medicare composite rate set by the Centers for Medicare and Medicaid Services, or CMS, determines the Medicare reimbursement available for a designated group of dialysis services, including the dialysis treatment, supplies used for that treatment, specified laboratory tests and certain pharmaceuticals. The Medicare composite rate is subject to regional differences based upon several factors, including regional differences in wage levels. Other services and pharmaceuticals are eligible for separate reimbursement under Medicare and are not part of the composite rate, including erythropoietin, or EPO, vitamin D analogs, and iron supplements.

Medicare reimburses dialysis providers for the treatment of ESRD patients who are eligible for participation in the Medicare ESRD program. ESRD patients receiving dialysis become eligible for primary Medicare coverage at various times, depending on their age or disability status, as well as whether they are covered by an employer group health plan. Generally, for a patient not covered by an employer group health plan, Medicare becomes the primary payor either immediately or after a three-month waiting period. For a patient covered by an employer group health plan, Medicare generally becomes the primary payor after 33 months, or earlier if the patient's employer group health plan coverage terminates. When Medicare becomes the primary payor, the payment rate we receive for that patient shifts from the employer group health plan rate to the Medicare reimbursement rate.

For each covered treatment, Medicare pays 80% of the amount set by the Medicare reimbursement system. The patient is responsible for the remaining 20%, and in most cases a secondary payor, such as Medicare

supplemental insurance, a state Medicaid program or a commercial health plan, covers all or part of these balances. Some patients who do not qualify for Medicaid but otherwise cannot afford secondary insurance can apply for premium payment assistance from charitable organizations, normally through a program offered by the American Kidney Fund. We and other dialysis providers support the American Kidney Fund and similar programs through voluntary contributions. If a patient does not qualify for state Medicaid assistance based on financial need and does not purchase secondary insurance through a private insurer, we are generally unable to collect the 20% portion of the ESRD composite rate that Medicare does not pay.

The Medicare composite rates set by Congress for the dialysis treatment that were in effect for 2004 were between $121 and $144 per treatment, with an average rate of $131 per treatment. Historically, there have been very few changes to the Medicare composite rates. Since 1972, the rate has declined over 70% in terms of inflation adjusted dollars. The Medicare composite reimbursement rate was increased by $1.00 in 1991, by 1.2% in 2000, and by 2.4% in 2001. A 1.6% increase became effective on January 1, 2005, however other changes to the Medicare reimbursement rates, as discussed below, more than offset the effect of this increase.

Medicare reimburses for home dialysis services provided by dialysis centers that are designated as the supplier of home supplies and services, and provides all dialysis treatment-related services, including equipment and supplies. The center is reimbursed using a methodology based on the Medicare composite rate. The reimbursement rates for home dialysis are determined prospectively and are subject to adjustment by Congress. Most of our centers are approved to provide home dialysis services.

Effective January 1, 2005, under the Medicare Prescription Drug Improvement and Modernization Act of 2003, or MMA, reimbursement rates for the primary separately billable pharmaceuticals provided to ESRD patients in dialysis centers will be at average acquisition payment amounts, or AAP. While these reimbursement rates will result in lower reimbursements to ESRD providers for pharmaceuticals, the MMA also provided for an offsetting adjustment to the composite rate. This adjustment to the composite rate, however, was inadequate to offset the effect of the lower reimbursement rates for pharmaceuticals, resulting in a net reduction of the combined average level of Medicare reimbursements for our Company. The net reduction more than offset the previously established 1.6% increase in the Medicare composite rate that also became effective January 1, 2005. In addition, CMS plans to implement a case-mix adjustment payment methodology on April 1, 2005, which is designed to pay differential composite service rates based on a variety of patient characteristics. If CMS does not appropriately implement the case-mix requirements of MMA, it could adversely affect Medicare reimbursement. CMS will reset the reimbursement methodology and thus rates for pharmaceuticals in 2006 and the corresponding adjustment to the composite rate. The methodology to be used in adjusting the reimbursement rates in 2006 will be determined by CMS in mid-2005.

In the fall of 2003, CMS announced two new ESRD disease management demonstration projects. The goal of the demonstration projects is to use evidence-based best practices and experienced care managers to oversee ESRD patient care. The program includes two different risk and payment options, full capitation and a fee-for-service outpatient bundled payment. Both options include incentive payments for quality. Our proposal to participate in the full capitation demonstration has been accepted by CMS. At this time we are preparing to participate in two markets and have entered into partnership arrangements with two managed care organizations to assist us with administrative functions. We anticipate that in the early years of this demonstration project we will not be adequately reimbursed to cover our investment for the enrolled Medicare beneficiaries.

MMA requires CMS to establish a new demonstration project for ESRD. The purpose of this new three year demonstration study, to be conducted beginning January 1, 2006, is again to determine the feasibility of an expanded payment outpatient bundle. We expect that CMS will announce further details of the demonstration study by mid-2005. At this time we have not determined if we will participate in this demonstration study.

Medicaid reimbursements

Medicaid programs are state-administered programs partially funded by the federal government. These programs are intended to provide health coverage for patients whose income and assets fall below state-defined levels and who are otherwise uninsured. In some states, these programs also serve as supplemental insurance programs for the Medicare co-insurance portion of the ESRD composite rate and provide reimbursement for additional services, including some oral medications, that are not covered by Medicare. State regulations generally follow Medicare schedules with respect to reimbursement levels and coverages. Some states, however, require beneficiaries to pay a monthly share of the cost based upon levels of income or assets. We are an authorized Medicaid provider in the states in which we conduct our business.

Commercial (nongovernment) payors

Before Medicare becomes the primary payor, a patient's employer group health plan or private insurance plan, if any, is responsible for payment. Commercial reimbursement rates vary significantly, and can be at negotiated rates for contracted payors or based on the patient's insurance plan's formal or informal coverage terms related to our "usual and customary" fee schedule. The patient is responsible for any deductibles and co-payments under the terms of his or her employer group health plan or other insurance. The rates paid by nongovernment payors are typically significantly higher than Medicare reimbursement rates, and on average are more than double the Medicare rates. Also, traditional indemnity plans and preferred provider organization, or PPO, plans typically pay at higher rates than health maintenance organization, or HMO, plans. After Medicare becomes the primary payor, the original nongovernment payor, if any, becomes the secondary payor responsible for the 20% of the Medicare reimbursement rates that Medicare does not pay. Secondary payors are not required to reimburse us for the difference between the rates they previously paid and Medicare rates.

Reimbursement for EPO and other pharmaceuticals

Approximately 40% of our total dialysis revenue is associated with the administration of physician-prescribed pharmaceuticals that improve clinical outcomes when included with the dialysis treatment. These pharmaceuticals include EPO, Vitamin D analogs and iron supplements.

EPO is a genetically engineered form of a naturally occurring protein that stimulates the production of red blood cells. EPO is used in connection with all forms of dialysis to treat anemia, a medical complication most ESRD patients experience. The administration of EPO, which is separately billable under the Medicare reimbursement program, accounts for approximately one-fourth of our dialysis revenues. Changes in the levels of physician-prescribed EPO, and government reimbursement policies related to EPO, significantly influence our revenues and operating earnings.

Furthermore, EPO is produced by a single manufacturer, Amgen, and any interruption of supply or product cost increases could adversely affect our operations. Amgen has also developed a new product, darbepoetin alfa, also known as Aranesp®, that could potentially replace EPO or reduce its use with dialysis patients. The FDA has approved this new product for use with dialysis patients. We cannot predict when, or whether, Amgen will seek to market this product for the dialysis market, how Medicare or other payors will reimburse dialysis providers for its use, whether physicians will prescribe it instead of EPO or how it will impact our revenues and earnings.

Physician relationships

An ESRD patient generally seeks treatment at a dialysis center near his or her home and at which his or her treating nephrologist has practice privileges. Our relationships with local nephrologists and our ability to meet their needs and the needs of their patients are key factors in the success of a dialysis center. Over 2,000 nephrologists currently refer patients to our centers. As is typical in the dialysis industry, one or a few physicians, including the center's medical director, usually account for all or a significant portion of a dialysis center's patient referral base. Our medical directors provide a substantial portion of our patient referrals.

Participation in the Medicare ESRD program requires that treatment at a dialysis center be under the general supervision of a director who is a physician. We have engaged physicians or groups of physicians to serve as medical directors for each of our centers. At some centers, we also separately contract with one or more physicians to serve as assistant or associate medical directors or to direct specific programs, such as home dialysis training programs. We have contracts with approximately 420 individual physicians and physician groups to provide medical director services.

Medical directors enter into written contracts that specify their duties and fix their compensation generally for periods of five to ten years. The compensation of our medical directors is the result of arm's length negotiations and generally depends upon an analysis of various factors such as the physician's duties and responsibilities and the physician's professional qualifications and experience, among others.

Our medical director agreements generally include covenants not to compete. Also, when we acquire a center from one or more physicians, or where one or more physicians own interests in centers as co-owners with us, these physicians have agreed to refrain from owning interests in competing centers within a defined geographic area for various time periods. These agreements not to compete restrict the physicians from owning or providing medical director services to other dialysis centers, but do not prohibit the physicians from referring patients to any dialysis center, including competing centers. Many of these agreements not to compete expire at the same time as the corresponding medical director agreements, although some continue for a period of time beyond expiration. We have from time to time experienced competition from a new dialysis center established by a former medical director following the termination of his or her relationship with us.

Government regulation

Our dialysis operations are subject to extensive federal, state and local governmental regulations. These regulations require us to meet various standards relating to, among other things, government reimbursement programs, dialysis facilities and equipment, management of centers, personnel qualifications, maintenance of proper records, quality assurance programs and patient care.

All of our dialysis centers are certified by CMS, as is required for the receipt of Medicare reimbursement. In some states our dialysis centers also are required to secure additional state licenses. Governmental authorities, primarily state departments of health, periodically survey our centers to determine if we satisfy applicable federal and state standards and requirements, including the conditions of participation in the Medicare ESRD program.

Our business could be adversely impacted by:

- Loss or suspension of federal certifications;
- Loss or suspension of authorization to participate in the Medicare or Medicaid programs;
- Loss or suspension of licenses under the laws of any state or governmental authority from which we generate substantial revenues;
- Refunds of reimbursement received because of any failures to meet applicable reimbursement requirements;
- Exclusion from government healthcare programs;
- Significant reductions or lack of inflation adjusted increases in reimbursement or reduction of coverage for dialysis and ancillary services;
- Fines and penalties for noncompliance;
- Loss of referrals from medical directors; or
- Refund of payments received from government payors and government health care program beneficiaries.

To date, we have not had significant unanticipated difficulty in maintaining our licenses or our Medicare and Medicaid authorizations. However, we expect that our industry will continue to be subject to significant government regulation and scrutiny, the scope and application of which are difficult to predict. This regulation and scrutiny could adversely impact us in a material way.

CMS continues to study the regulations applicable to Medicare licensure and authorization. On February 4, 2005, CMS published a proposed rule that would revise the conditions of coverage for ESRD Facilities. The revised requirements would, among other things, establish performance expectations for facilities, eliminate many procedural requirements from the current conditions of coverage, and promote continuous quality improvement. The proposed regulations are still subject to revision based on public comments in the rulemaking process and would not become effective until issued as final regulation. It is not possible to predict any changes that might be made in a final rule or when a final rule might be published.

Fraud and abuse under federal law

The "anti-kickback" statute contained in the Social Security Act imposes criminal and civil sanctions on persons who receive or make payments in return for:

- The referral of a Medicare or Medicaid patient for treatment;
- The ordering or purchasing of items or services that are paid for in whole or in part by Medicare, Medicaid or similar federal and state programs; or
- Arranging for or recommending the ordering or purchasing of such items.

Federal criminal penalties for the violation of these laws include imprisonment, fines and exclusion of the provider from future participation in the Medicare and Medicaid programs. Civil penalties for violation of these laws include up to $50,000 in monetary penalties per violation, repayments of up to three times the total payments between the parties and suspension from future participation in Medicare and Medicaid. Some state anti-kickback statutes also include criminal penalties. The federal statute expressly prohibits traditionally criminal transactions, such as kickbacks, rebates or bribes for patient referrals. Court decisions have also held that, the statute is violated whenever one of the purposes of remuneration is to induce referrals.

The Department of Health and Human Services regulations create exceptions or "safe harbors" for some business transactions and arrangements. Transactions and arrangements structured within these safe harbors do not violate the anti-kickback statute. A business transaction or arrangement must satisfy each and every element of a safe harbor to be protected by that safe harbor. Transactions and arrangements that do not satisfy all elements of a relevant safe harbor are not necessarily inappropriate, but may be subjected to greater scrutiny by enforcement agencies.

Some medical directors and other referring physicians own our common stock, which they either purchased in the open market or received from us as consideration in an acquisition of dialysis centers from them. We believe that these interests materially satisfy the requirements for the safe harbor for investments in large publicly traded companies.

Our medical directors refer patients to our centers and these arrangements must be in compliance with the federal anti-kickback statute. Among the available safe harbors is one for personal services. However, most of our agreements with our medical directors do not satisfy all seven of the requirements of the personal services safe harbor. We believe that, because of the nature of our medical directors' duties, it is impossible to satisfy the anti-kickback safe-harbor requirement that if the services provided under the agreement are on a part-time basis, as they are with our medical directors, the agreement must specify the schedule of intervals of service, their precise length and the exact charge for such intervals. Accordingly, while we believe that our agreements with our medical directors satisfy most of the elements of this safe harbor, our arrangements do not qualify for safe harbor protection. We believe our agreements do not violate the federal anti-kickback statute. We also note that there is little guidance available as to what constitutes fair market value for medical director services. Although the final Phase II, Stark II regulations (described below) created a so-called safe harbor method of establishing the fair market value of physician compensation, this methodology, which is not required by the rule, is very restrictive, and has been challenged in court. Regardless of the outcome of the challenge, we do not believe that this method produces a reasonable estimate of the fair market value of dialysis facility medical director services.

CMS recognizes that compensation exceeding amounts determined by the safe harbor method do not necessarily exceed fair market value, but that such compensation is not assured of a favorable finding upon review. None of our medical director agreements establishes compensation using the newly established safe harbor method; rather compensation under our medical director agreements is the result of individual negotiation and the Company believes exceeds amounts determined in that manner. While we believe that compensation under our medical director agreements is the result of arm's length negotiations and results in fair market value payments of medical director services, an enforcement agency could potentially challenge the level of compensation that we pay our medical directors. Accordingly, we could in the future be required to change our practices, face criminal or civil penalties, pay substantial fines, return certain reimbursements received from governmental payors and beneficiaries or otherwise experience a material adverse effect as a result of a challenge to these arrangements. One of the areas that the inquiry by the United States Attorney's Office for the Eastern District of Pennsylvania described below covers is our financial relationships with physicians. Although we believe that the terms and conditions of our medical director agreements are consistent with healthcare regulatory requirements, healthcare enforcement authorities could take a contrary view.

At 84 of our dialysis centers, physicians who refer patients to the centers hold interests in partnerships or limited liability companies owning the centers, and these ownership arrangements must be in compliance with the anti-kickback statute. Although there is a safe harbor for investment interests in "small entities," none of our joint ventures satisfies all of the requirements for protection by this safe harbor. We note that physician joint ventures are not prohibited but instead require a case by case evaluation under the anti-kickback statute. We have structured our joint ventures to satisfy as many safe harbor requirements as possible and we believe that these investments are offered on a fair market value basis and provide returns to the physician investors only in proportion to their actual investment in the venture. Notwithstanding these efforts, since the arrangements do not qualify for safe harbor protection, these arrangements could be challenged and if found to violate the statute would have a material adverse impact on our earnings as well as subject us to possible criminal or civil penalties.

We lease approximately 93 of our centers from entities in which physicians hold ownership interests and we sublease space to referring physicians at approximately 87 of our dialysis centers. These arrangements must be in compliance with the anti-kickback statute. We believe that we are in compliance with the safe harbor for space rentals in all material respects.

Because we are purchasing and selling items and services in the operation of our centers that may be paid for, in whole or in part, by Medicare or a state healthcare program and because we acquire certain items and services at a discount, we must ensure compliance with the federal anti-kickback statute. Subject to certain requirements and limitations, discounts representing reductions in the amounts the Company is charged for items or services based on arms-length transactions can qualify for safe harbor protection if the Company fully and accurately reports the discounts in the applicable Medicare cost reports. While some of the safe harbor criteria are subject to interpretation, we believe that our vendor contracts with discount provisions materially satisfy the requirements for safe harbor protection and do not violate the anti-kickback statute. If the government challenged our discount arrangements, we could face criminal, civil and administrative sanctions.

Fraud and abuse under state law

Several states, including California, Florida, Georgia, Kansas, Louisiana, Maryland, New York, Utah and Virginia, in which we operate dialysis centers that are jointly owned with referring physicians, have statutes prohibiting physicians from holding financial interests in various types of medical facilities to which they refer patients. Some of these statutes could be interpreted as prohibiting physicians who hold shares of our publicly traded stock from referring patients to our dialysis centers if the centers use our laboratory subsidiary to perform laboratory services for these patients. Some states also have laws similar to the federal anti-kickback statute that may affect our ability to receive referrals from physicians with whom we have financial relationships, such as our medical directors. Some of these statutes include exemptions applicable to our medical directors and other physician relationships or for financial interests limited to shares of publicly traded stock. Some, however, include no explicit exemption for medical director services or other services for which we contract with and

compensate referring physicians or for joint ownership interests of the type held by some of our referring physicians or for financial interests limited to shares of publicly traded stock. If these statutes are interpreted to apply to referring physicians with whom we contract for medical director and similar services or to referring physicians with whom we hold joint ownership interests or to physicians who hold interests in the Company limited solely to publicly traded stock, we may be required to terminate or restructure some or all of our relationships with or refuse referrals from these referring physicians and could be subject to financial penalties, or could negatively affect the decision of the referring physicians to refer patients to our centers.

Stark II

Another federal law (known as the "Stark Law") prohibits a physician who has a financial relationship, or who has an immediate family member who has a financial relationship, with entities (including hospitals) providing "designated health services", from referring federal healthcare program patients to such entities for the furnishing of such services, with limited exceptions. Stark Law designated health services include equipment and supplies, home health services, outpatient prescription drugs, inpatient and outpatient hospital services and clinical laboratory services. The Stark Law also prohibits the entity receiving the referral from filing a claim or billing for the services arising out of the prohibited referral. The prohibition applies regardless of the reasons for the financial relationship and the referral; that is, unlike the federal Anti-Kickback Law, no finding of intent to violate the law is required. Sanctions for violation of the Stark Law include denial of payment for the services provided in violation of the prohibition, refunds of amounts collected in violation, a civil penalty of up to $15,000 for each service arising out of the prohibited referral, exclusion from the federal healthcare programs, and a civil penalty of up to $100,000 against parties that enter into a scheme to circumvent the Stark Law's prohibition. Knowing and willful violations of the Stark Law may also serve as the basis for liability under the False Claims Act. The types of financial arrangements between a physician and an entity that trigger the self-referral prohibitions of the Stark Law are broad and include ownership and investment interests and compensation arrangements.

Final regulations implementing the portions of the Stark Law applicable to clinical laboratory services ("Stark I") were issued in August 1995. On January 4, 2001, CMS issued Phase I final regulations implementing the Stark Law's application to all designated health services (sometimes referred to as "Stark II" or the "Stark II Regulations"). The rules delineated in Phase I of such Regulations were effective on January 4, 2002. The Stark II Regulations include additional guidance regarding CMS's interpretation of the Stark Law. Phase II of the final Stark II Regulations was issued on March 26, 2004 and became effective on July 26, 2004. CMS anticipates issuing a Phase III of the Stark II regulations at a future date.

A "financial relationship" with an entity under Stark II is defined as an ownership or investment interest in, or a compensation arrangement with, the entity. We have entered into several types of financial relationships with referring physicians. We believe that the compensation arrangements under our medical director agreements materially satisfy the personal services compensation arrangement exception to the Stark II prohibition. Some of our dialysis centers are leased from entities in which referring physicians hold interests and we sublease space to referring physicians at some of our dialysis centers. Payments made by a lessor to a lessee for the use of premises are also excepted from Stark II prohibitions if specific requirements are met. We believe that our leases and subleases with referring physicians materially satisfy this exception to the Stark II prohibitions.

Some medical directors and other referring physicians own our common stock, which they either purchased in the open market or received from us as consideration in an acquisition of dialysis centers from them. There is a Stark II exception for investments in large publicly traded companies, which we believe protects these investment interests.

While nearly all of our stock option arrangements with referring physicians were terminated in 2000, a few medical directors still own options to acquire our common stock because we did not have the contractual right to terminate their options. Under the Stark II regulations, these stock options constitute financial relationships that

must meet an applicable exception if the physician makes referrals to DaVita for designated health services. It is possible that CMS could view these interests as prohibited arrangements that must be restructured or for which we could be subject to other significant penalties or prohibit us from accepting referrals from those medical directors.

Some of our medical directors also own equity interests in entities that operate our dialysis centers. The Stark II exception applicable to physician ownership interests in entities to which they make referrals does not encompass the kinds of ownership arrangements that referring physicians hold in several of our subsidiaries that operate dialysis centers. Accordingly, it is possible that CMS could require us to restructure some of these arrangements or could seek to impose substantial fines or additional penalties on us, prohibit us from accepting referrals from those physician owners and/or force us to return certain amounts paid by CMS and program beneficiaries. We believe that the language and legislative history of Stark II and the Stark II regulations indicate that Congress did not intend to include dialysis services and the services and items provided incident to dialysis services as a part of designated health services. The final Stark II regulations exempt from the referral prohibition referrals for clinical laboratory services that are included in the ESRD composite rate. The final Stark II regulations exempt for EPO and certain other dialysis-related outpatient prescription drugs furnished in (or by, in the case of EPO) an ESRD facility. The Final Phase II regulations also confirmed that since home dialysis supplies are not covered as DME, they are not considered designated health services. Accordingly, referrals for composite rate laboratory tests and these dialysis related medications and home dialysis supplies do not violate the Stark II prohibition.

While the Stark II "designated health services" include inpatient and outpatient hospital services, our arrangements with hospitals for the provision of dialysis services to hospital inpatients and outpatients do not involve prohibited referrals to DaVita and do not create material indirect financial relationships between the hospitals and the physicians providing services for DaVita. This is because under the final Stark II regulations in situations involving such services furnished "under arrangements" it is the hospital, rather than DaVita, that is considered to be receiving referrals for, furnishing and billing for the designated health services.

Because the Stark II regulations do not expressly address all of our operations, it is possible that CMS could interpret Stark II to apply to parts of our operations. Consequently, it is possible that CMS could determine that Stark II requires us to restructure existing compensation agreements with our medical directors and to repurchase or to request the sale of ownership interests in subsidiaries and partnerships held by referring physicians or, alternatively, to refuse to accept referrals for designated health services from these physicians. We would be materially impacted if CMS interprets Stark II to apply to aspects of our operations and we could not achieve compliance with Stark II. This could subject us to monetary penalties for non-compliance or the cost of achieving that compliance was substantial.

The False Claims Act

The federal False Claims Act, or FCA, is a means of policing false bills or false requests for payment in the healthcare delivery system. In part, the FCA imposes a civil penalty on any person who:

- Knowingly presents, or causes to be presented, to the federal government a false or fraudulent claim for payment or approval;
- Knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the federal government;
- Conspires to defraud the federal government by getting a false or fraudulent claim allowed or paid; or
- Knowingly makes, uses or causes to be made or used, a false record or statement to conceal, avoid or decrease an obligation to pay or transmit, money or property to the federal government.

The penalties for a violation of the FCA range from $5,500 to $11,000 for each false claim plus three times the amount of damages caused by each such claim. The federal government has used the FCA to prosecute a wide variety of issues such as Medicare fraud, including coding errors, billing for services not rendered, the

submission of false cost reports, billing services at a higher reimbursement rate than appropriate, billing under a comprehensive code as well as under one or more component codes included in the comprehensive code and billing for care that is not medically necessary. Although subject to some dispute, at least two federal district courts have also determined that an alleged violation of the federal anti-kickback statute or Stark I and Stark II are sufficient to state a claim for relief under the FCA. In addition to the civil provisions of the FCA, the federal government can use several criminal statutes to prosecute persons who submit false or fraudulent claims for payment to the federal government.

The Health Insurance Portability and Accountability Act of 1996

The Health Insurance Portability and Accountability Act of 1996, or HIPAA, among other things, allows individuals who lose or change jobs to transfer their insurance, limits exclusions for preexisting conditions and establishes a pilot program for medical savings accounts. In addition, HIPAA also expanded federal attempts to combat healthcare fraud and abuse by making amendments to the Social Security Act and the federal criminal code. Among other things, HIPAA created a new "Health Care Fraud Abuse Control Account," under which advisory opinions are issued by the Office of Inspector General, or OIG, regarding the application of the anti-kickback statute; criminal penalties for Medicare and Medicaid fraud were extended to other federal healthcare programs; the exclusion authority of the OIG was expanded; Medicare and Medicaid civil monetary penalty provisions were extended to other federal healthcare programs; the amounts of civil monetary penalties were increased, and a criminal healthcare fraud statute was established.

HIPAA also includes provisions relating to the privacy of medical information. The Department of Health and Human Services, or HHS, published HIPAA privacy regulations in December 2000 and modified these regulations in August 2002. Implementation of these provisions has required us to develop extensive policies and procedures, and to implement administrative safeguards with respect to private health information in our possession. Compliance with the privacy regulations was required beginning April 2003. HIPAA also includes provisions relating to standards for electronic transactions and electronic signatures. Under HIPAA, compliance with the standards for electronic transactions was required beginning October 2003. We believe we are in substantial compliance with these new requirements.

Other regulations

Our operations are subject to various state hazardous waste and non-hazardous medical waste disposal laws. These laws do not classify as hazardous most of the waste produced from dialysis services. Occupational Safety and Health Administration regulations require employers to provide workers who are occupationally subject to blood or other potentially infectious materials with prescribed protections. These regulatory requirements apply to all healthcare facilities, including dialysis centers, and require employers to make a determination as to which employees may be exposed to blood or other potentially infectious materials and to have in effect a written exposure control plan. In addition, employers are required to provide or employ hepatitis B vaccinations, personal protective equipment and other safety devices, infection control training, post-exposure evaluation and follow-up, waste disposal techniques and procedures, and work practice controls. Employers are also required to comply with various record-keeping requirements. We believe that we are in material compliance with these laws and regulations.

A New York statute prohibits publicly-held companies from owning the health facility license required to operate a dialysis center in New York. Although we own substantially all of the assets, including the fixed assets, of our New York dialysis centers, the licenses are held by privately-owned companies with which we have agreements to provide a broad range of administrative services, including billing and collecting. The New York State Department of Health has approved these types of arrangements; however, we cannot guarantee that they will not be challenged as prohibited under the relevant statute. We have a similar management relationship with physician practices in several states which prohibit the corporate practice of medicine, and with a privately-owned company in New Jersey for several New Jersey dialysis centers. We have had difficulty securing licenses

for new centers in New Jersey in our own name because the New Jersey Department of Aging and Senior Services refuses to grant new licenses to companies that have more than a small number of outstanding survey issues throughout all of their centers in the entire United States, regardless of the respective size of the companies' operations.

A few states have certificate of need programs regulating the establishment or expansion of healthcare facilities, including dialysis centers. We believe that we are in material compliance with all applicable state certificate of need laws.

Although we have implemented an aggressive corporate compliance program, as discussed below, and believe we are in material compliance with current applicable laws and regulations, our industry will continue to be subject to substantial regulation, the scope and effect of which are difficult to predict. Our activities could be reviewed or challenged by regulatory authorities at any time in the future.

United States Attorney inquiries

On October 25, 2004, we received a subpoena from the United States Attorney's Office, or U.S. Attorney's Office, for the Eastern District of New York in Brooklyn. The subpoena covers the period from 1996 to present and requires the production of a wide range of documents relating to our operations, including our laboratory services. The subpoena also includes specific requests for documents relating to testing for parathyroid hormone levels, or PTH, and to products relating to vitamin D therapies. We believe that the subpoena has been issued in connection with a joint civil and criminal investigation. Other participants in the dialysis industry received a similar subpoena, including Fresenius Medical Care, Renal Care Group and Gambro Healthcare. To our knowledge, no proceedings have been initiated against us at this time. Compliance with the subpoena will require management attention and legal expense. We cannot predict whether legal proceedings will be initiated against us relating to this investigation or, if proceedings are initiated, the outcome of any such proceedings. In addition, criminal proceedings may be initiated against us in connection with this inquiry. If a court determines that there has been wrongdoing, the penalties under applicable statutes could be substantial.

In February 2001, the Civil Division of the U.S. Attorney's Office for the Eastern District of Pennsylvania in Philadelphia contacted us and requested our cooperation in a review of some historical practices, including billing and other operating procedures and financial relationships with physicians. We cooperated in this review and provided the requested records to the U.S. Attorney's Office. In May 2002, we received a subpoena from the U.S. Attorney's Office and the Philadelphia Office of the OIG. The subpoena requires an update to the information we provided in our response to the February 2001 request, and also seeks a wide range of documents relating to pharmaceutical and other ancillary services provided to patients, including laboratory and other diagnostic testing services, as well as documents relating to our financial relationships with physicians and pharmaceutical companies. The subpoena covers the period from May 1996 to May 2002. We have provided the documents requested and continue to cooperate with the United States Attorney's Office and the OIG in its investigation. If this review proceeds, the government could expand its areas of inquiry. If a court determines that there has been wrongdoing, the penalties under applicable statutes could be substantial.

At this time, we are unable to determine:

- When these matters will be resolved;
- What position the U.S. Attorney's Offices in Brooklyn and in Philadelphia will take regarding any of our practices and any potential liability on our part;
- Whether any additional areas of inquiry will be opened; and
- Any outcome of this inquiry, financial or otherwise.

An adverse determination from either one of these inquiries or from additional inquiries could have a material adverse impact on our business, results of operation and financial condition. As described above under the subheading "Government regulation," the penalties under the federal anti-kickback law, Stark laws and False Claims Act and other federal and state statutes can be substantial.

Corporate compliance program

We have implemented a company-wide corporate compliance program as part of our commitment to comply fully with all applicable laws and regulations and to maintain the high standards of conduct we expect from all of our teammates. We continuously review this program and enhance it as necessary. The primary purposes of the program include:

- Increasing through training and education, the awareness of our teammates and affiliated professionals of the necessity of complying with all applicable laws and regulations in an increasingly complicated regulatory environment;
- Auditing our dialysis centers, laboratories and billing offices on a regular basis to identify any potential instances of noncompliance in a timely manner; and
- Ensuring that we take steps to resolve instances of noncompliance or to address areas of potential noncompliance as promptly as we become aware of them.

We have a code of conduct that each of our teammates and affiliated professionals must follow and we have a confidential toll-free hotline (888-272-7272) for teammates to report potential instances of noncompliance. Our Chief Compliance Officer administers the compliance program. The Chief Compliance Officer reports directly to our Chief Executive Officer and to the Compliance Committee of our board of directors.

Insurance

We carry insurance for property and general liability, professional liability, directors' and officers' liability, workers compensation, and other coverage in amounts and on terms deemed adequate by management based on our claims experience and expectations for future claims. Future claims could, however, exceed our applicable insurance coverage. Physicians practicing at our dialysis centers are required to maintain their own malpractice insurance and our medical directors maintain coverage for their individual private medical practices. Our liability policies also cover our medical directors for the performance of their duties as medical directors.

Capacity and location of our centers

We are able to increase our capacity by extending hours at our existing centers, expanding our existing centers, developing new centers, and through acquisitions. The development of a typical outpatient center by our Company generally requires approximately $1.5 million for leasehold improvements, equipment and first-year working capital. Based on our experience, a new center typically opens nine to thirteen months after the property lease is signed, normally achieves operating profitability by the ninth to eighteenth month of operation and normally reaches maturity within three to five years. Acquiring an existing center requires a substantially greater initial investment, but profitability and cash flow are initially more predictable. To a limited extent, we enter into agreements to provide administrative services to third-party-owned centers in return for management fees, typically based on a percentage of revenues.

The table below shows the growth of our Company by number of dialysis centers.

	2004	2003	2002	2001	2000(1)
Number of centers at beginning of year	566	515	495	490	572
Acquired centers	51	27	11	21	10
Developed centers	44	30	19	7	11
Net change in third-party centers with services agreements	5	(1)	(2)	(16)	(1)
Divestitures, closures and terminations	(8)	(5)	(8)	(7)	(102)
Number of centers at end of year	658	566	515	495	490

(1) We sold substantially all of our operations outside the continental United States in 2000.

As of December 31, 2004, we operated or provided administrative services to 658 outpatient dialysis centers, of which 624 are consolidated in our financial statements. Of the remaining 34 centers, we own minority interests in nine centers, which are accounted for as equity investments, and provide administrative services to 25 centers in which we have no ownership interest. The locations of the 624 centers included in our consolidated financial statements at December 31, 2004 were as follows;

State	Centers	State	Centers	State	Centers
California	95	Illinois	19	Ohio	5
Texas	54	Louisiana	16	District of Columbia	4
Florida	46	Indiana	12	South Carolina	3
Georgia	36	Washington	11	South Dakota	3
North Carolina	36	Kansas	10	Connecticut	2
Michigan	30	Arizona	9	Delaware	2
Minnesota	28	Iowa	8	New Mexico	2
Virginia	26	Kentucky	8	Oregon	2
New York	25	Missouri	8	Utah	2
Pennsylvania	24	Nebraska	8	Massachusetts	1
Maryland	23	New Jersey	8	West Virginia	1
Colorado	22	Nevada	7	Wisconsin	1
Oklahoma	22	Alabama	5		

Competition

The dialysis industry is highly competitive, particularly in terms of acquiring existing dialysis centers. Competition for qualified physicians to act as medical directors and for inpatient dialysis services agreements with hospitals is intense. We have also experienced competition from former medical directors or referring physicians who have opened their own dialysis centers. In addition, we experience competitive pressures in connection with negotiating contracts with commercial healthcare payors.

The four largest dialysis companies, Fresenius Medical Care, Renal Care Group, Gambro Healthcare and us, account for approximately 65% of outpatient dialysis treatments provided in the United States. Approximately half of the centers not owned by one of these four large companies are owned or controlled by hospitals or non-profit organizations. Hospital-based and non-profit dialysis units typically are more difficult to acquire than physician-owned centers. Because of the ease of entry into the dialysis business and the ability of physicians to be medical directors for their own center or centers, competition for growth in existing and expanding markets is not limited to the large competitors with substantial financial resources.

Our largest competitor, Fresenius also manufactures a full line of dialysis supplies and equipment in addition to owning and operating dialysis centers. This may give them cost advantages over us because of their ability to manufacture their own products. Fresenius has been our largest supplier of dialysis products. However, in connection with our agreement to acquire Gambro Healthcare, we will enter into a supply agreement that obligates us to purchase a significant majority of our hemodialysis product supply and equipment requirements from Gambro Renal Products at fixed prices for ten years, subject to certain terms and conditions. Our purchases of products in the categories generally offered by Fresenius and Gambro Renal Products represent approximately 8% of our total operating costs.

A portion of our business also consists of monitoring and providing supplies for ESRD treatments in patients' homes. Other companies provide similar services. Aksys, NxStage, Renal Solutions and Fresenius have developed hemodialysis systems designed to enable patients to perform hemodialysis on a daily basis in their homes. To date there has not been significant adoption of these home dialysis systems by our patients or physicians. We are unable to determine how these systems will affect our business over the longer term.

Teammates

As of December 31, 2004, we had approximately 15,300 teammates:

• Licensed professional staff (nurses, dieticians and social workers)	5,900
• Other patient care and center support staff and laboratory personnel	7,500
• Corporate, billing and regional administrative staff	1,900

Our dialysis business requires nurses with specialized training for patients with complex care needs. Recruitment and retention of nurses are continuing concerns for health care providers generally because of the disparity between the supply and demand for nurses, which has led to a nursing shortage. We have an active program of investing in our professional healthcare teammates to help ensure we meet our recruitment and retention targets, including expanded training opportunities, tuition reimbursements, and other incentives.

Item 2. Properties.

We own the land and building for only two of our dialysis centers. Our remaining dialysis centers are located on premises that we lease. Our leases generally cover periods from five to ten years and typically contain renewal options of five to ten years at the fair rental value at the time of renewal or at rates subject to periodic consumer price index increases. Our outpatient dialysis centers range in size from 500 to 30,000 square feet, with an average size of approximately 6,500 square feet.

We maintain our corporate headquarters in approximately 50,000 square feet of office space in El Segundo, California, which we currently lease for a term expiring in 2013. Our business office in Tacoma, Washington is in a 107,000-square foot facility leased for a term expiring in 2009. We maintain a 57,000-square foot facility in Berwyn, Pennsylvania, which we currently lease for a term expiring in 2012, principally for additional billing and collections staff. We also maintain administrative offices in a 8,000-square foot facility in Exton, Pennsylvania leased for a term expiring in 2008, and in a 12,500 square foot facility in Vernon Hills, Illinois leased for a term expiring in 2011. Our Florida-based laboratory is located in a 40,000-square foot facility owned by us, with a long-term ground lease, and we lease 15,000 square feet of additional space for our laboratory administrative staff for a term expiring in 2007. We have 30,000 square feet of office space in Torrance, California, formerly used as our corporate headquarters, under lease until 2008. Currently, 17,000 square feet of this office space is subleased and the remaining portion of this space remains currently unused.

Some of our dialysis centers are operating at or near capacity. However, we believe that we have adequate capacity within most of our existing dialysis centers to accommodate additional patient volume through increased hours and/or days of operation, or, if additional space is available within an existing facility, by adding dialysis stations. We can usually relocate existing centers to larger facilities or open new centers if existing centers reach capacity. With respect to relocating centers or building new centers, we believe that we can generally lease space at economically reasonable rates in the area planned for each of these centers. Expansion of existing centers or relocation of our dialysis centers is subject to review for compliance with conditions relating to participation in the Medicare ESRD program. In states that require a certificate of need or center license, additional approvals would generally be necessary for expansion or relocation.

Item 3. Legal Proceedings.

See the heading “United States Attorney inquiries” in “Item 1. Business” of this report for information on our cooperation regarding the subpoena received from the U.S. Attorney’s Office for the Eastern District of New York requesting documents relating to our operations, including our laboratory services and documents relating to PTH and Vitamin D therapies and with the U.S. Attorney’s Office for the Eastern District of Pennsylvania in a review of some historical practices, including billing and other operating procedures and our financial relationships with physicians.

In addition, we are subject to claims and suits in the ordinary course of business. We do not believe that the ultimate resolution of these additional pending or threatened proceedings, whether the underlying claims are covered by insurance or not, will have a material adverse effect on our financial condition, results of operations or cash flows.

Item 4. Submission of Matters to a Vote of Securities Holders.

No matters were submitted to a vote of security holders during the fourth quarter of 2004.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is traded on the New York Stock Exchange under the symbol "DVA". The following table sets forth, for the periods indicated, the high and low closing prices for our common stock as reported by the New York Stock Exchange. The closing prices have been adjusted to retroactively reflect the effect of a stock split in the second quarter of 2004.

	High	Low
Year ended December 31, 2004:		
1st quarter	$31.86	$25.33
2nd quarter	34.17	29.19
3rd quarter	32.18	27.38
4th quarter	39.62	29.40
Year ended December 31, 2003:		
1st quarter	$17.06	$13.03
2nd quarter	17.96	13.01
3rd quarter	21.67	17.89
4th quarter	26.67	21.97

The closing price of our common stock on February 1, 2005 was $42.15 per share. According to The Bank of New York, our registrar and transfer agent, as of February 1, 2005, there were 2,318 holders of record of our common stock. Since our recapitalization in 1994, we have not declared or paid cash dividends to holders of our common stock. We have no current plans to pay cash dividends. Also, see the heading "Liquidity and capital resources" under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and the notes to our consolidated financial statements.

The following table sets forth information with respect to repurchases of our common stock during the quarter ended December 31, 2004.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs(1)
October 1, 2004 through October 31, 2004	300,300	$30.14	300,300	$249,121,411
November 1, 2004 through November 30, 2004	—	—	—	249,121,411
December 1, 2004 through December 31, 2004	—	—	—	249,121,411
Total	300,300	$30.14	300,300	$249,121,411

(1) On September 11, 2003, the Company announced that the Board of Directors authorized the Company to repurchase up to $200 million of the Company's common stock, with no expiration date. On November 2, 2004, the Company announced that the Board of Directors approved an increase in the Company's authorization to repurchase shares of its common stock by an additional $200 million. The Company is authorized to make purchases from time to time in the open market or in privately negotiated transactions, depending upon market conditions and other considerations.

Item 6. Selected Financial Data.

The following table presents selected consolidated financial and operating data for the periods indicated. The following financial and operating data should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements filed as part of this report.

	Year ended December 31,				
	2004	2003	2002	2001	2000
	(in thousands, except share data)				
Income statement data:					
Net operating revenues(1)	$ 2,298,595	$ 2,016,418	$ 1,854,632	$ 1,650,753	$ 1,486,302
Operating expenses(2)	1,888,472	1,637,883	1,470,806	1,339,895	1,318,460
Operating income	410,123	378,535	383,826	310,858	167,842
Debt expense	52,412	66,828	71,636	72,438	115,445
Refinancing charges (gains)(3)		26,501	48,930	(1,629)	7,009
Other income, net	4,173	3,060	3,997	2,518	(6,270)
Income before income taxes	361,884	288,266	267,257	242,567	39,118
Income tax expense	139,630	112,475	109,928	105,252	25,633
Net income	$ 222,254	$ 175,791	$ 157,329	$ 137,315	$ 13,485
Basic earnings per common share(4)	$ 2.25	$ 1.86	$ 1.46	$ 1.09	$ 0.11
Diluted earnings per common share(4)	$ 2.16	$ 1.66	$ 1.30	$ 1.01	$ 0.11
Weighted average shares outstanding:(4)(6)					
Basic	98,727,000	94,346,000	107,747,000	125,652,000	122,372,000
Diluted	102,861,000	113,760,000	135,720,000	155,181,000	124,736,000
Ratio of earnings to fixed charges(5)	5.55:1	4.43:1	4.35:1	3.63:1	1.32:1
Balance sheet data:					
Working capital	$ 426,985	$ 242,238	$ 251,925	$ 175,983	$ 148,348
Total assets	2,511,959	1,945,530	1,775,693	1,662,683	1,596,632
Long-term debt	1,322,468	1,117,002	1,311,252	811,190	974,006
Shareholders' equity(6)	523,134	306,871	70,264	503,637	349,368

(1) Net operating revenues include $8,293 in 2004, $24,000 in 2003 and $58,778 in 2002 of Medicare lab recoveries relating to prior years' services and $22,000 in 2001 of prior years' dialysis services revenue relating to cash settlements and collections in excess of prior estimates.

(2) Total operating expenses include recoveries of $5,192 in 2002 and $35,220 in 2001 of accounts receivable reserved in 1999 and net impairment losses of $4,556 in 2000 principally associated with the disposition of the Company's non-continental U.S. operations.

(3) Refinancing charges of $26,501 in 2003 represented the consideration paid to redeem the $125,000 5⅝% Convertible Subordinated Notes due 2006 and the $345,000 7% Convertible Subordinated Notes due 2009 in excess of book value, the write off of related deferred financing costs and other financing fees associated with amending the bank credit agreement. Refinancing charges of $48,930 in 2002 represented the write-off of deferred financing costs associated with the retirement of the $225,000 outstanding 9¼% Senior Subordinated Notes due 2011.

(4) All share and per-share data for all periods presented have been adjusted to retroactively reflect the effects of a 3 for 2 stock split in the second quarter of 2004.

(5) The ratio of earnings to fixed charges was computed by dividing earnings by fixed charges. Earnings for this purpose is defined as pretax income from operations adjusted by adding back fixed charges expensed during the period and debt refinancing charges. Fixed charges include debt expense (interest expense and amortization of financing costs), the estimated interest component of rental expense on operating leases, and capitalized interest.

(6) Share repurchases consisted of 3,350,100 shares of common stock for $96,540 in 2004, 5,162,850 shares of common stock for $107,162 in 2003, 40,991,216 shares of common stock for $642,171 in 2002 and 1,333,050 shares of common stock for $20,360 in 2001. Debt of $124,700 and $526 was converted into 7,302,528 and 24,045 shares of common stock in 2003. Shares issued in connection with stock awards amounted to 5,106,783 in 2004, 3,539,919 in 2003, 5,131,425 in 2002, 4,711,989 in 2001 and 1,226,319 in 2000.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward looking statements

This Annual report on Form 10-K contains statements that are forward-looking statements within the meaning of the federal securities laws. All statements that do not concern historical facts are forward-looking statements and include among other things, statements about our expectations, beliefs, intentions and/or strategies for the future. These forward-looking statements include statements regarding our expectations for treatment growth rates, revenue per treatment, expense growth, levels of the provision for uncollectible accounts receivable, operating income, cash flow, and capital expenditures. These statements involve substantial known and unknown risks and uncertainties that could cause our actual results to differ materially from those described in the forward-looking statements, including, but not limited to, risks resulting from the regulatory environment in which we operate, economic and market conditions, competitive activities, other business conditions, accounting estimates, and the risk factors set forth in this Annual Report on Form 10-K. These risks, among others, include those relating to the concentration of profits generated from PPO and private indemnity patients, possible reductions in private and government reimbursement rates, changes in pharmaceutical practice patterns or reimbursement policies, our ability to maintain contracts with physician medical directors, and legal compliance risks, including our continued compliance with complex government regulations and the ongoing review by the U.S. Attorney's Office for the Eastern District of Pennsylvania, and the OIG and the subpoena from the U.S. Attorney's Office for the Eastern District of New York and our ability to complete acquisitions of businesses, including the consummation of the Gambro Healthcare acquisition, terms of the related financing, and subsequent integration of the business. We base our forward-looking statements on information currently available to us, and we undertake no obligation to update or revise these statements, other than in connection with our quarterly reporting on Form 10-Q or in our Annual Report on Form 10-K, whether as a result of changes in underlying factors, new information, future events or other developments.

The following should be read in conjunction with our consolidated financial statements and "Item 1. Business."

Overview

Our stated mission is to be the provider, employer and partner of choice. We believe our attention to these three areas—our patients, our teammates, and our business partners represent the major drivers of our long-term success, aside from external factors such as government policy and physician practice patterns. Accordingly, two principal non-financial metrics we track are quality clinical outcomes and teammate turnover. We have developed our own composite index for measuring improvements in our clinical outcomes, which we refer to as the DaVita Quality Index, or DQI. Our clinical outcomes have improved over each of the past three years, and we ended 2004 with the best clinical outcomes that we have ever achieved. Although it is difficult to reliably measure clinical performance across our industry, we believe our clinical outcomes compare favorably with other dialysis providers in the United States. Over the past three years we have achieved significant reductions in teammate turnover, which has been a major contributor to our performance improvements. We will continue to focus on these fundamental long-term value drivers.

We are pleased with the overall clinical, operating and financial performance levels achieved over the past three years. Although our business has areas of significant potential exposure, as delineated in the risk factors following this discussion and analysis, our operating results over the past three years have not been significantly adversely affected by these risk factors.

Our operations represent a single reporting segment, with approximately 96% of our revenues currently derived directly from providing dialysis services, of which 88% represents on-site dialysis services in 624 centers that are wholly-owned or majority-owned. Our other direct dialysis services, which are operationally integrated with our center operations, relate to patient-performed peritoneal dialysis and acute treatments in hospitals.

The principal drivers of our revenue are a) the number of treatments, which is primarily a function of the number of chronic patients requiring three treatments per week, and b) average treatment revenue. The total patient base is a relatively stable factor, influenced by a demographically growing need for dialysis, our relationships with referring physicians together with the quality of our clinical care, and our pace of opening and acquiring new centers.

Our year-over-year treatment volume growth for 2004 was 10.8%, compared with 6.7% and 5.0% for 2003 and 2002. Approximately 40% of our growth in each of the last two years was associated with new centers, and approximately 60% was attributable to increased treatments.

Average revenue per treatment is principally driven by our mix of commercial and government (principally Medicare and Medicaid) treatments, the mix and intensity of physician-prescribed pharmaceuticals, commercial and government reimbursement rates, and our dialysis services charge-capture, billing and collecting operations performance.

On average, reimbursement rates from commercial payors are more than double Medicare and Medicaid reimbursement rates, and therefore the percentage of commercial patients to total patients represents a major driver of our total average revenue per treatment. The percent of patients under government reimbursement programs to total dialysis center patients increased approximately 1% over the past two years, and is currently approximately 79%.

In terms of revenue dollars, approximately 60% of our total dialysis revenue is from government or government-based programs. Government reimbursement rates are principally determined by federal (Medicare) and state (Medicaid) policy, have limited potential for rate increases and are sometimes at risk of reductions. Medicare reimbursements represent approximately 50% of our dialysis revenue, and cumulative increases since 1990 total approximately 5%. There were no Medicare reimbursement rate increases for 2003 and 2004. A 1.6% increase became effective on January 1, 2005, however this increase will be more than offset by other structural changes to Medicare dialysis reimbursement rates that also became effective January 1, 2005. Medicaid rates in some states have been under severe budget pressures. Approximately 40% of our dialysis revenue is from commercial healthcare plans and contracted managed-care payors. Commercial rates can vary significantly and a major portion of our commercial rates are contracted amounts with major payors and are subject to intense negotiation pressure. Over the past three years we have been successful in maintaining a relatively stable average reimbursement rate in the aggregate for patients with commercial plans, in addition to obtaining periodic fee schedule increases.

Approximately 40% of our dialysis revenue has been associated with physician-prescribed pharmaceuticals, and therefore changes in physician practice patterns, pharmaceutical protocols, and pharmaceutical intensities significantly influence our revenue levels. Such changes, driven by physician practice patterns and protocols focused on improving clinical outcomes, have accounted for a significant portion of the increase in average revenue per treatment over the past three years.

Our operating performance with respect to dialysis services charge-capture, billing and collection can also be a significant factor in how much average revenue per treatment is actually realized. Over the past three years we have invested heavily in new systems and processes that have helped improve our operating performance and reduce our regulatory compliance risks.

Because of the inherent uncertainties associated with predicting third-party reimbursements in the healthcare industry, our revenue recognition involves significant estimation risks. Our estimates are developed based on the best information available to us and our best judgment as to the reasonably assured collectibility of our billings as of the reporting date. Changes in estimates are reflected in the financial statements based upon on-going actual experience trends, or subsequent settlements and realizations depending on the nature and predictability of the estimates and contingencies.

Our annual average revenue per treatment increased from $291 in 2002 to $303 in 2003 and to $312 in 2004. These increases were principally due to increases in our standard fee schedules (impacting non-contracted commercial revenue), changes in mix and intensity of physician-prescribed pharmaceuticals, commercial contract negotiations, and continued improvements in revenue capture, billing and collection operations, while maintaining a relatively stable mix of commercial patients and commercial rates.

The principal drivers for our patient care costs are clinical hours per treatment, labor rates, vendor pricing of pharmaceuticals, and business infrastructure and compliance costs. However, other cost categories can also represent significant cost changes such as increased insurance costs experienced in 2003. Our average clinical hours per treatment has improved over the past three years primarily because of reduced teammate turnover and improved training and processes. We believe there is limited opportunity for productivity improvements beyond the levels achieved in 2004, and federal and state policies can adversely impact our ability to achieve optimal productivity levels. Labor rates have increased consistent with general industry trends. For the past three years we have been able to negotiate relatively stable pharmaceutical pricing with our vendors, and expect relatively stable pricing through 2005.

General and administrative expenses have remained relatively constant as a percent of total revenue over the past three years. However, this reflects substantial increases in spending related to strengthening our business and regulatory compliance processes, legal and other professional fees, and expanding support functions. We expect that these higher levels of general and administrative expenses will be generally maintained to support our long-term initiatives and to support our efforts to achieve the highest levels of regulatory compliance.

Although other revenues represent less than 5% of total revenues, successful resolutions of disputed Medicare billings at our Florida lab resulted in recoveries related to prior years' services being recognized as current period revenue and operating income of $8 million, $24 million, and $59 million for 2004, 2003, and 2002, respectively. The carrier began making payments on Medicare lab billings in the third quarter of 2002 after four years of withholding all payments. Therefore we were able to begin recognizing Medicare lab revenue as services were provided, incrementally increasing income by such revenue. Medicare lab revenues for 2004 current year services amounted to $34 million.

Gambro Healthcare Acquisition. On December 6, 2004, we entered into an agreement to acquire Gambro Healthcare, Inc., or Gambro Healthcare, a subsidiary of Gambro AB, one of the largest dialysis service providers in the United States, for a purchase price of approximately $3.05 billion in cash. We currently plan to finance this transaction and refinance our existing credit facility through the issuance of notes and the entry into a new senior secured credit facility. In conjunction with the acquisition, we are entering into a 10-year product supply agreement with Gambro Renal Products Inc., a subsidiary of Gambro AB, to provide a significant majority of our dialysis equipment and supplies. We expect that the acquisition will increase our revenues by more than 80% based on 2004 levels. The timing of the completion of the acquisition transaction is dependent on the government's Hart-Scott-Rodino antitrust review process. On February 18, 2005, the Company received a request from the Federal Trade Commission, or FTC, for additional information in connection with the acquisition. The request extends the waiting period imposed by the Hart-Scott-Rodino Act until thirty days after the Company and Gambro Healthcare have substantially complied with the request, unless that period is voluntarily extended by the parties or is terminated sooner by the FTC. In connection with obtaining antitrust clearance, we may decide to, or the FTC or other regulatory agencies with jurisdiction may require us to, divest certain of our or Gambro Healthcare's dialysis centers.

Outlook for 2005. We are currently targeting operating income to be between 2% and 6% higher than the 2004 level, exclusive of the effects of the Gambro Healthcare acquisition and related debt financing, and exclusive of the expensing of stock options required by FASB No. 123R. In connection with the Gambro acquisition the Company will be assessing financing alternatives, which could include closing some or all of the financing in advance of the closing of the acquisition. At this time, we expect the Gambro Healthcare acquisition together with the related debt financing to be dilutive to earnings per share, or EPS, in the first year after the

closing of the acquisition, neutral in the second year, and accretive thereafter. These projections and the underlying assumptions involve significant risks and uncertainties, and actual results may vary significantly from these current projections. These risks, among others, include those relating to the concentration of profits generated from PPO and private indemnity patients, possible reductions in private and government reimbursement rates, changes in pharmaceutical practice patterns or reimbursement policies, our ability to maintain contracts with our physician medical directors, legal compliance risks, including our continued compliance with complex government regulations and the ongoing review by the U.S. Attorney's Office for the Eastern District of Pennsylvania and the OIG and the subpoena from the U.S. Attorney's Office for the Eastern District of New York, and our ability to complete acquisitions of businesses, including the consummation of the Gambro acquisition, terms of the related financing, and subsequent integration of the businesses. You should read "Risk Factors" in this Annual Report on Form 10-K for more information about these and other potential risks. We undertake no obligation to update or revise these projections, whether as a result of changes in underlying factors, new information, future events or other developments.

Results of operations

Following is a summary of operating results for reference in the discussion that follows:

	Year ended December 31,					
	2004		2003		2002	
	(dollar amounts rounded to nearest million, except per treatment data)					
Net operating revenues:						
Current period services	**$ 2,291**	100%	**$ 1,992**	100%	**$ 1,796**	100%
Prior years' services—laboratory	*8*		*24*		*59*	
	2,299		2,016		1,855	
Operating expenses and charges:						
Patient care costs	**1,555**	68%	**1,361**	68%	**1,218**	68%
General and administrative	**192**	8%	**160**	8%	**154**	9%
Depreciation and amortization	**87**	4%	**75**	4%	**64**	4%
Provision for uncollectible accounts	**41**	2%	**36**	2%	**32**	2%
Recoveries					(5)	
Minority interests and equity income, net	**14**		**7**		**8**	
Total operating expenses and charges	1,889		1,638		1,471	
Operating income—including prior years' recoveries, (i.e., including amounts in italics)	$ 410		$ 379		$ 384	
Dialysis treatments	7,062,424		6,373,894		5,975,280	
Average dialysis treatments per treatment day	22,528		20,377		19,090	
Average dialysis revenue per treatment	$ 312		$ 303		$ 291	

Net operating revenues

Dialysis revenues represented approximately 96% of net operating revenues in 2004, and 97% in 2003 and 2002. Lab and other ancillary services and management fee income accounted for the balance of revenues.

Operating revenues for current period services increased 15% in 2004 and 11% in 2003. Approximately 11% and 7% of the increases in revenue for 2004 and 2003 were due to increases in the number of dialysis treatments and approximately 3% and 4% was attributable to increases in the average dialysis revenue per treatment. The balance of the increase in 2004 was due to additional lab, management fees and ancillary revenue.

Dialysis revenues. Dialysis services include outpatient center hemodialysis, home dialysis and inpatient hemodialysis under contracts with hospitals, which accounted for approximately 88%, 7% and 5% of total

dialysis revenues, respectively. Major components of dialysis revenues include the administration of EPO and other pharmaceuticals as part of the dialysis treatment, which represents approximately 40% of total dialysis revenues.

Approximately 60% of our total dialysis revenues are from government-based programs, principally Medicare and Medicaid, with the balance from more than 600 commercial payors under more than 1500 commercial healthcare plans and approximately 300 managed-care contracts. Approximately 50% of our total dialysis revenues are associated with Medicare patients, who represent nearly 70% of our total patients.

Services provided to patients covered by commercial healthcare plans are paid on average at more than double the Medicare or Medicaid rates. Patients covered by employer group health plans convert to Medicare after a maximum of 33 months. As of year-end 2004, the Medicare ESRD dialysis treatment rates for our patients were between $121 and $144 per treatment, or an overall average of $131 per treatment, excluding the administration of separately billed pharmaceuticals.

The majority of our net earnings from dialysis services are derived from commercial payors, some of which pay at negotiated reimbursement rates and others which pay based on our usual and customary fee schedule. The commercial reimbursement rates are under continuous downward pressure as we negotiate contract rates with large HMOs and insurance carriers. Additionally, as a patient transitions from commercial coverage to Medicare or Medicaid coverage, the reimbursement rates normally decline substantially. No single payor accounts for more than 5% of total dialysis revenues.

The number of dialysis treatments increased 10.8% in 2004 and 6.7% in 2003. Acquisitions accounted for 5.8% and 2.8% of treatment growth for 2004 and 2003. Non-acquired treatment growth was 5.0% and 3.9% for 2004 and 2003.

The average dialysis revenues recognized per treatment was $312, $303 and $291 for 2004, 2003 and 2002, respectively. The increase in average dialysis revenues per treatment in 2004 and 2003 was principally due to commercial rate increases and changes in intensity of physician-prescribed pharmaceuticals. The average dialysis revenues per treatment for the fourth quarter of 2004 was approximately $311. Our mix of commercial patients and commercial rates, which is a major profitability factor, remained relatively stable during 2004.

Lab and other services. A third-party carrier review of Medicare reimbursement claims associated with our Florida-based laboratory was initiated in 1998. Prior to the third quarter 2002, no Medicare payments had been received since May 1998. Following a favorable ruling by an administrative law judge in June 2002 relating to review periods from January 1995 to March 1998, the carrier began releasing funds for lab services provided subsequent to May 2001. During the fourth quarter of 2002, the carrier also released funds for certain claims in review periods from April 1998 through May 2001. During the second half of 2002, the carrier paid us a total of $69 million. Approximately $10 million of these collections related to 2002 lab services provided through June 2002, and the balance of $59 million related to prior years' services. In addition to paying the prior-period claims, the carrier also began processing billings for current period services in the third quarter of 2002, at which time we began recognizing current period Medicare lab revenue. In late 2003 the carrier's hearing officer rendered partially favorable decisions relating to review periods from April 1998 to May 2000, resulting in our recognition of additional recoveries of $24 million. We filed requests for appeal for the remaining unsettled claims for these review periods. In the third quarter of 2004, an administrative law judge rendered a favorable decision regarding the majority of these unsettled claims, which resulted in our recognition of $8.3 million in additional recoveries. Less than $4 million in disputed Medicare lab billings currently remain unresolved.

Management fee income. Management fee income represented less than 1% of net operating revenues for 2004 and 2003. We operated or provided administrative services to 34 third-party or minority-owned dialysis centers as of December 31, 2004. In 2003 we acquired an outpatient vascular access management business that currently manages the vascular access component at seventeen independent third-party physician practices. Our management fees are principally based on a percentage of the revenue of the managed operations.

Operating expenses and charges

Patient care costs. Patient care costs are those costs directly associated with operating and supporting our dialysis centers and ancillary operations, and consist principally of labor, pharmaceuticals, medical supplies and facility costs. As a percentage of current period operating revenues, patient care costs were 68% for all periods presented. On a per-treatment basis, patient care costs increased approximately $7 and $11 in 2004 and 2003, respectively. The increases in 2004 and 2003 were principally due to higher labor costs and increases in the levels of revenue generating physician-prescribed pharmaceuticals. The increase in 2003 was also due to higher insurance costs. The higher labor costs reflect rising labor rates and the effect of the increase in the number of newly opened centers not yet at normal productivity levels, partially offset by general labor productivity improvements. We believe there is limited opportunity for productivity improvements beyond the levels achieved in 2004.

General and administrative expenses. General and administrative expenses consist of those costs not specifically attributable to the dialysis centers and ancillary operations, and include expenses for corporate and regional administration, including centralized accounting, billing and cash collection functions, and regulatory compliance oversight. General and administrative expenses as a percentage of current period operating revenues were 8.4%, 8.0% and 8.6% in 2004, 2003 and 2002, respectively. In absolute dollars, general and administrative expenses increased by approximately $32 million in 2004 and $6 million in 2003. The increase in 2004 principally consisted of higher labor costs, professional fees for legal and compliance initiatives, and increases in support infrastructure for corporate initiatives and business expansion. The increase in 2003 was principally due to higher labor costs. The substantial increases in labor costs for 2004 and 2003 principally related to strengthening our business and regulatory compliance processes, as well as expanding support functions.

Depreciation and amortization. Depreciation and amortization was approximately 4% of current period operating revenues for each of the past three years. The increase in depreciation and amortization from $75 million in 2003 to $87 million in 2004 was principally due to new center developments and acquisitions.

Provision for uncollectible accounts. The provisions for uncollectible accounts receivable were approximately 2% of current period operating revenues for each of the three years. During 2002, we realized recoveries of $5 million associated with aged accounts receivable that had been reserved in 1999. The recoveries resulted from improvements made in our billing and collection processes.

Minority interests and equity income, net. Minority interests net of equity income increased in 2004 by approximately $7 million due to an increase in new centers having minority partners as well as growth in the earnings of our joint ventures.

Impairments and valuation adjustments. We perform impairment or valuation reviews for our property and equipment, amortizable intangibles, and investments in and advances to third-party dialysis businesses at least annually and whenever a change in condition indicates that a review is warranted. Such changes include shifts in our business strategy or plans, the quality or structure of our relationships with our partners, or when a center experiences deteriorating operating performance. Goodwill is also assessed at least annually for possible valuation impairment using fair value methodologies. No significant impairments or valuation adjustments were recognized during the periods presented.

Other income

Other income, which was a net of approximately $4 million, $3 million and $4 million for 2004, 2003 and 2002, respectively, consisted principally of interest income.

Debt expense and refinancing charges

Debt expense for 2004, 2003 and 2002 consisted of interest expense of approximately $50 million, $64 million and $69 million, respectively, and amortization of deferred financing costs of approximately $2 million

in 2004, and $3 million in 2003 and 2002. The decrease in interest expense in 2004 as compared to 2003 was due to changes in the mix of our debt instruments. For most of 2003 we incurred higher interest rates on our senior subordinated notes, which were paid off in the second half of 2003 and replaced with lower interest rate borrowings from our credit facility. This decrease was partially offset by the effect on interest rates from our swap agreements and higher average debt balances. The reduction in interest expense in 2003 as compared to 2002 was primarily due to lower average interest rates and lower average debt balances.

Reclassification of previously reported extraordinary losses. In accordance with SFAS No. 145 *Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 14, and Technical Corrections,* which became effective as of January 1, 2003, an after-tax loss of $29.4 million in 2002 associated with the extinguishment of debt was reclassified from an extraordinary item to a pre-tax refinancing charge of $49 million. In 2003, the refinancing charges of $27 million related to the consideration paid in excess of book value to redeem our Convertible Subordinated Notes and the write-off of deferred financing costs and financing fees associated with the amendment of our bank credit agreement. In 2002, the refinancing charges of $49 million related to debt restructuring, which included retiring $225 million of 9¼% Senior Subordinated Notes due 2011 and extinguishing our then existing senior credit facilities.

Provision for income taxes

The provision for income taxes for 2004 represented an effective tax rate of 38.6%, compared with 39.0% and 41.0% in 2003 and 2002. The reduction in the effective tax rate for 2004 was primarily due to lower state income taxes. The reduction in the effective tax rate for 2003 was primarily due to a lower provision for state income taxes and utilization of previously unrecognized tax losses. The effective tax rate for 2005 is currently projected to be comparable to the 2004 level.

Liquidity and capital resources

Cash flow from operations during 2004 amounted to $420 million, including after-tax Medicare lab recoveries of $17 million, compared with $294 million for 2003. Non-operating cash outflows in 2004 included $128 million for capital asset expenditures including $83 million for new center developments, $265 million for acquisitions (net of divestitures), and $97 million for stock repurchases. Non-operating cash outflows for 2003 included $100 million for capital asset expenditures including $58 million for new center developments, $97 million for acquisitions, and $107 million for stock repurchases. During 2004, we acquired a total of 51 dialysis centers and opened 44 new dialysis centers. During 2003 we acquired 27 dialysis centers for $84 million (including controlling ownership interests in two centers in which we previously had minority ownership) and opened 30 new dialysis centers. Other 2003 acquisitions related to ancillary operations. The largest acquisition during 2004 was the purchase of common stock of Physicians Dialysis, Inc. (PDI), for approximately $150 million, which added 24 centers.

On December 6, 2004 we entered into an agreement to acquire all of the outstanding common stock of Gambro Healthcare, Inc. for a purchase price of approximately $3.05 billion in cash. The timing of the closing of the acquisition transaction is dependent on the government's Hart-Scott-Rodino anti-trust review process. In connection with the Gambro acquisition we will be assessing financing alternatives, which could include closing some or all of the financing in advance of the closing of the acquisition. See Note 18 to our Consolidated Financial Statements included in this Annual Report on Form 10-K. We have obtained acquisition financing commitments from a group of financial institutions, however such commitments are subject to customary conditions.

We expect to spend approximately $100 million to $120 million for capital asset expenditures in 2005. This includes approximately $50 to $60 million for routine maintenance items and $50 to $60 million for new center developments. This level of capital asset expenditures is consistent with our 2004 level. We expect to open between 30 to 40 new centers in 2005.

The accounts receivable balance at December 31, 2004 and 2003 represented approximately 70 and 69 days of net revenue, net of bad debt provision.

As of December 31, 2004, we had undrawn credit facilities totaling $116 million of which $23 million was committed for outstanding letters of credit.

We believe that we will have sufficient borrowing capacity and operating cash flows to fund our planned acquisitions and expansions and to meet our other obligations over the next twelve months.

2004 capital structure changes. In the third quarter of 2004, we amended our existing credit facilities in order to modify certain restricted payment covenants principally for acquisitions and share repurchases and we extended the maturity of the Term Loan B until June 30, 2010. We also borrowed an additional $250 million under a new Term Loan C principally to fund potential acquisitions and share repurchases. The Term Loan C bears interest at LIBOR plus 1.75% for an overall effective rate of 4.16% at December 31, 2004. The aggregate annual principal payments for the amended Term Loan B and the Term Loan C are approximately $56.1 million and $11.9 million in the first five years of the agreement, and $974.2 million and $238.1 million in the sixth year, respectively. We expect to put new credit facilities in place in connection with the planned Gambro Healthcare acquisition.

Under the previously announced Board authorization for share repurchases, we repurchased a total of 3,350,100 shares of common stock at an average price of $28.82 per share during 2004. On November 2, 2004, our Board of Directors authorized us to repurchase up to an additional $200 million of our common stock, from time to time, in the open market or in privately negotiated transactions. The total outstanding Board authorizations for share repurchases are now approximately $249 million.

In the first quarter of 2004, we entered into an interest rate swap agreement that had the economic effect of modifying the LIBOR-based interest rate to a fixed rate of 3.08%, plus the Term Loan B margin of 2.00%, for an overall effective rate of 5.08% as of December 31, 2004. The total amortizing notional amount of the swap was $135 million matched with the Term Loan B outstanding debt. The agreement expires in January 2009 and requires quarterly interest payments. As of December 31, 2004, the notional amount of this swap was $135 million and its fair value was an asset of $1.7 million, which resulted in additional comprehensive income during the year of $1.1 million, net of tax.

In the third quarter of 2004, we entered into another interest rate swap agreement that had the economic effect of modifying the LIBOR-based interest rate to a fixed rate of 3.64%, plus the Term Loan C margin of 1.75%, for an overall effective rate of 5.39% as of December 31, 2004. The total $75 million non-amortizing notional amount of the swap was matched with the Term Loan C outstanding debt. The agreement expires in August 2008 and requires quarterly interest payments. As of December 31, 2004 the fair value of the swap was an asset of $0.1 million, which resulted in additional comprehensive income during the year of $0.06 million, net of tax.

At December 31, 2004, approximately 25% of our outstanding variable rate debt was economically fixed at an effective weighted average interest rate of 5.27% and our overall credit facility effective weighted average interest rate was 4.60% based upon current margins in effect ranging from 1.75% to 2.00%.

On December 10, 2004 we entered into two forward interest rate swap agreements that will have the economic effect of modifying the LIBOR-based interest rate to a fixed rate at 3.875% effective July 1, 2005. The total amortizing notional amount of these two swaps is $800 million and both expire in January 2010 and require quarterly interest payments beginning in October 2005. As of December 31, 2004, the aggregate notional amount of these swaps was $800 million and their fair value was an asset of $0.4 million, which resulted in additional comprehensive income during the year of $0.2 million, net of tax.

As a result of our swap agreements, we will have over 80% of our outstanding variable rate debt economically fixed.

2003 capital structure changes. In the first quarter of 2003, we borrowed $150 million that was available under the Term Loan A of our credit facility. The Term Loan A bears interest at LIBOR plus 2.00% for an overall effective rate of 3.19% at December 31, 2003.

In July 2003, we completed a call for redemption of all of our outstanding $125 million 5⅝% Convertible Subordinated Notes due 2006 by issuing 7,302,528 shares of our common stock from treasury stock for the conversion of nearly all the 5⅝% Notes, and redeemed the balance for cash and accrued interest.

In July 2003, we also entered into an amended credit agreement in order to, among other things, lower the overall interest rate. We also acquired an additional $200 million of borrowings under the replacement Term Loan B, which amounted to $1.042 billion. In November 2003, we entered into a second amended and restated credit agreement in order to again lower the interest rate on the Term Loan B and to modify certain covenants.

In 2003 we completed a call for redemption of our $345 million, 7% Convertible Subordinated Notes due 2009. The 7% notes were redeemed for $363 million in cash, including accrued interest and 24,045 shares of common stock.

In the fourth quarter of 2003, we entered into an interest rate swap agreement that had the economic effect of modifying the LIBOR- based interest rate to a fixed rate of 3.39%, plus the Term Loan B margin of 2.00% for an overall effective rate of 5.39% as of December 31, 2004. The total amortizing notional amount of this swap was $135 million and was matched with Term Loan B outstanding debt. The agreement expires in November 2008 and requires quarterly interest payments. As of December 31, 2004, the notional amount of this swap was approximately $135 million and its fair value was an asset of $0.6 million which resulted in additional comprehensive income during the year of $1.3 million, net of tax.

During 2003, we repurchased a total of 5,162,850 shares of our common stock for approximately $107 million, or an average of $20.76 per share, pursuant to authorizations by the Board of Directors.

Off-balance sheet arrangements and aggregate contractual obligations

In addition to the debt obligations reflected on our balance sheet, we have commitments associated with operating leases, letters of credit and our investments in third-party dialysis businesses. Nearly all of our facilities are leased. We have potential acquisition obligations for several jointly-owned centers, in the form of put options exercisable at the third-party owners' discretion. These put obligations, if exercised, would require us to purchase the third-party owners' interests at either the appraised fair market value or a predetermined multiple of earnings or cash flow. We also have potential cash commitments to provide operating capital as needed to several third-party centers including minority owned centers and centers that we operate under administrative services agreements.

The following is a summary of these contractual obligations and commitments as of December 31, 2004 (in millions):

	Within One Year	2-3 Years	4-5 Years	After 5 Years	Total
Scheduled payments under contractual obligations:					
Long-term debt	$ 52	$ 80	$629	$607	$1,368
Capital lease obligations	1	4	1	2	8
Operating leases	74	132	102	189	497
	$127	$216	$732	$798	$1,873
Potential cash requirements under existing commitments:					
Letters of credit	$ 23				$ 23
Acquisition of dialysis centers	56	15	19	13	103
Working capital advances to third-parties under administrative services agreements	15				15
	$ 94	$ 15	$ 19	$ 13	$ 141

Contingencies

Our revenues may be subject to adjustment as a result of (1) examination by government agencies or contractors, for which the resolution of any matters raised may take extended periods of time to finalize; (2) differing interpretations of government regulations by different fiscal intermediaries or regulatory authorities; (3) differing opinions regarding a patient's medical diagnosis or the medical necessity of services provided; (4) retroactive applications or interpretations of governmental requirements; and (5) claims for refunds from private payors.

On October 25, 2004, we received a subpoena from the United States Attorney's Office, or U.S. Attorney's Office, for the Eastern District of New York in Brooklyn. The subpoena covers the period from 1996 to present and requires the production of a wide range of documents relating to our operations, including our laboratory services. The subpoena also includes specific requests for documents relating to testing for parathyroid hormone levels, or PTH, and to products relating to vitamin D therapies. We believe that the subpoena has been issued in connection with a joint civil and criminal investigation. Other participants in the dialysis industry received a similar subpoena, including Fresenius Medical Care, Renal Care Group and Gambro Healthcare. To our knowledge, no proceedings have been initiated against us at this time. Compliance with the subpoena will require management attention and legal expense. We cannot predict whether legal proceedings will be initiated against us relating to this investigation or, if proceedings are initiated, the outcome of any such proceedings. In addition, criminal proceedings may be initiated against us in connection with this inquiry. If a court determines that there has been wrongdoing, the penalties under applicable statutes could be substantial.

In February 2001 the Civil Division of the U.S. Attorney's Office for the Eastern District of Pennsylvania in Philadelphia contacted us and requested our cooperation in a review of some historical practices, including billing and other operating procedures and financial relationships with physicians. We cooperated in this review and provided the requested records to the U.S. Attorney's Office. In May 2002, we received a subpoena from the U.S. Attorney's Office and the Philadelphia Office of the OIG. The subpoena requires an update to the information we provided in our response to the February 2001 request, and also seeks a wide range of documents relating to pharmaceutical and other ancillary services provided to patients, including laboratory and other diagnostic testing services, as well as documents relating to our financial relationships with physicians and pharmaceutical companies. The subpoena covers the period from May 1996 to May 2002. We have provided the documents requested and continue to cooperate with the United States Attorney's Office and the OIG in its investigation. If this review proceeds, the government could expand its areas of concern. If a court determines that there has been wrongdoing, the penalties under applicable statutes could be substantial.

In addition to the foregoing, we are subject to claims and suits in the ordinary course of business. Management believes that the ultimate resolution of these additional pending proceedings, whether the underlying claims are covered by insurance or not, will not have a material adverse effect on our financial condition, results of operations or cash flows.

Critical accounting estimates and judgments

Our consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States. These accounting principles require us to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and contingencies. All significant estimates, judgments and assumptions are developed based on the best information available to us at the time made and are regularly reviewed and updated when necessary. Actual results will generally differ from these estimates. Changes in estimates are reflected in our financial statements in the period of change based upon on-going actual experience trends, or subsequent settlements and realizations depending on the nature and predictability of the estimates and contingencies. Interim changes in estimates are applied prospectively within annual periods. Certain accounting estimates, including those concerning revenue recognition and provision for uncollectible accounts, impairments and valuation adjustments, and accounting for income taxes, are considered

to be critical in evaluating and understanding our financial results because they involve inherently uncertain matters and their application requires the most difficult and complex judgments and estimates.

Revenue recognition. There are significant estimating risks associated with the amount of revenue that we recognize for a reporting period. The rates at which we are reimbursed are often subject to significant uncertainties related to wide variations in the coverage terms of the more than 1,500 commercial healthcare plans under which we receive reimbursements, often arbitrary and inconsistent reimbursements by commercial payors, ongoing insurance coverage changes, differing interpretations of contract coverage, and other payor issues. Revenue recognition uncertainties inherent in our operations are addressed in AICPA Statement of Position (SOP) No. 00-1. As addressed in SOP No. 00-1, net revenue recognition and allowances for uncollectible billings require the use of estimates of the amounts that will actually be realized considering, among other items, retroactive adjustments that may be associated with regulatory reviews, audits, billing reviews and other matters.

Revenues associated with Medicare and Medicaid programs are recognized based on a) the reimbursement rates that are established by statute or regulation for the portion of the reimbursement rates paid by the government payor (eg. 80% for Medicare patients) and b) for the portion not paid by the primary government payor, the estimated amounts that will ultimately be collectible from other government programs paying secondary coverage (eg. Medicaid secondary coverage), the patient's commercial health plan secondary coverage, or the patient.

Commercial healthcare plans, including contracted managed-care payors, are billed at our usual and customary rates; however, revenue is recognized based on estimated net realizable revenue for the services provided. Net realizable revenue is estimated based on contractual terms for the patients under healthcare plans with which we have formal agreements, non-contracted healthcare plan coverage terms if known, estimated secondary collections, historical collection experience, historical trends of refunds and payor payment adjustments (retractions), inefficiencies in our billing and collection processes that can result in denied claims for reimbursements, and regulatory compliance issues. Determining applicable primary and secondary coverage for our more than 50,000 patients at any point in time, together with the changes in patient coverages that occur each month, requires complex, resource-intensive processes. Collections, refunds and payor retractions typically continue to occur for up to three years and longer after services are provided.

Our range of dialysis revenue estimating risk is generally expected to be within 1% of total revenue, which can represent as much as 5% of operating income. Changes in estimates are reflected in the financial statements based on on-going actual experience trends, or subsequent settlements and realizations depending on the nature and predictability of the estimates and contingencies. Changes in revenue estimates for prior periods are separately disclosed and reported if material to the current reporting period and longer term trend analyses. For example, we recognized $22 million of prior period dialysis revenue in 2001 related to cash recoveries in excess of previous estimates made possible by improvements in our billing and collecting operations.

Lab service revenues for current period dates of services are recognized at the estimated net realizable amounts to be received after considering possible retroactive adjustments that may be made as a result of the ongoing third-party carrier review.

Impairments of long-lived assets. We account for impairment of long-lived assets, which include property and equipment, investments, amortizable intangible assets and goodwill, in accordance with the provisions of SFAS No. 144 *Accounting for the Impairment or Disposal of Long-Lived Assets* or SFAS No. 142 *Goodwill and Other Intangible Assets,* as applicable. Impairment reviews are performed at least annually and whenever a change in condition occurs which indicates that the carrying amounts of assets may not be recoverable. Such changes include changes in our business strategies and plans, changes in the quality or structure of our relationships with our partners and deteriorating operating performance of individual dialysis centers. We use a variety of factors to assess the realizable value of assets depending on their nature and use. Such assessments are primarily based upon the sum of expected future undiscounted net cash flows over the expected period the asset

will be utilized, as well as market values and conditions. The computation of expected future undiscounted net cash flows can be complex and involves a number of subjective assumptions. Any changes in these factors or assumptions could impact the assessed value of an asset and result in an impairment charge equal to the amount by which its carrying value exceeds its actual or estimated fair value.

Accounting for income taxes. We estimate our income tax provision to recognize our tax expense for the current year and our deferred tax liabilities and assets for future tax consequences of events that have been recognized in our financial statements, measured using enacted tax rates and laws expected to apply in the periods when the deferred tax liabilities or assets are expected to be realized. Deferred tax assets are assessed based upon the likelihood of recoverability from future taxable income and to the extent that recovery is not likely, a valuation allowance is established. The allowance is regularly reviewed and updated for changes in circumstances that would cause a change in judgment about the realizability of the related deferred tax assets. These calculations and assessments involve complex estimates and judgments because the ultimate tax outcome can be uncertain or future events unpredictable.

Variable compensation accruals. We estimate variable compensation accruals quarterly based upon the annual amounts expected to be earned and paid out resulting from the achievement of certain teammate-specific and/or corporate financial and operating goals. Our estimates, which include compensation incentives for bonuses, awards and benefit plan contributions, are updated periodically due to changes in our economic condition or cash flows that could ultimately impact the actual final award. Actual results may vary due to the subjective nature of fulfilling employee specific and/or corporate goals, as well as the final determination and approval of amounts by our Board of Directors.

Significant new accounting standard for 2005

In December 2004, the Financial Accounting Standards Board (FASB) issued Statement No. 123R, *Share-Based Payment,* that amends FASB Statements No. 123 and 95, and supersedes APB Opinion No. 25 *Accounting for Stock Issued to Employees.* This statement requires a company to measure the cost of employee services received in exchange for an award of equity instruments, such as stock options, based on the grant-date fair value of the award and to recognize such cost over the requisite period during which an employee provides service. The grant-date fair value will be determined using option-pricing models adjusted for unique characteristics of the equity instruments. The statement also addresses the accounting for transactions in which a company incurs liabilities in exchange for goods or services that are based on the fair value of the Company's equity instruments or that may be settled through the issuance of such equity instruments. The statement does not change the accounting for transactions in which a company issues equity instruments for services to non-employees or the accounting for employee stock ownership plans. This statement is effective beginning in the third quarter of 2005, and requires us to recognize compensation costs on outstanding awards for which the requisite service has not yet been rendered. We currently project that the adoption of this standard will reduce pre-tax income by less than $10 million for the second half of 2005.

RISK FACTORS

This Annual Report on Form 10-K contains statements that are forward-looking statements within the meaning of the federal securities laws. These statements involve known and unknown risks and uncertainties including the risks discussed below. The risks discussed below are not the only ones facing our business. Please read the cautionary notice regarding forward-looking statements under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations".

If the average rates that private payors pay us decline, then our revenues, earnings and cash flows would be substantially reduced.

Approximately 40% of our dialysis revenues are generated from patients who have private payors as the primary payor. The majority of these patients have insurance policies that reimburse us on terms and at rates materially higher than Medicare rates. Based on our recent experience in negotiating with private payors, we believe that pressure from private payors to decrease the rates they pay us may increase. If the average rates that private payors pay us decline significantly, it would have a material adverse effect on our revenues, earnings and cash flows.

If the number of patients with higher paying commercial insurance declines, then our revenues, earnings and cash flows would be substantially reduced.

Our revenue levels are sensitive to the percentage of our reimbursements from higher-paying commercial plans. A patient's insurance coverage may change for a number of reasons, including as a result of changes in the patient's or a family member's employment status. For a patient covered by an employer group health plan, Medicare generally becomes the primary payor after 33 months, or earlier if the patient's employer group health plan coverage terminates. When Medicare becomes the primary payor, the payment rate we receive for that patient shifts from the employer group health plan rate to the Medicare reimbursement rate. If there is a significant reduction in the number of patients under higher-paying commercial plans relative to government-based programs that pay at lower rates it would have a material adverse effect on our revenues, earnings and cash flows.

Future declines, or the lack of further increases, in Medicare reimbursement rates would reduce our revenues, earnings and cash flows.

Approximately one half of our dialysis revenues are generated from patients who have Medicare as their primary payor. The Medicare ESRD program reimburses us for dialysis and ancillary services at fixed rates. Unlike most other Medicare programs, the Medicare ESRD program does not provide for periodic inflation increases in reimbursement rates. Increases of 1.2% in 2000 and 2.4% in 2001 were the first increases in the composite reimbursement rate since 1991, and were significantly less than the cumulative rate of inflation over the same period. For 2002 through 2004, there was no increase in the composite reimbursement rate. Effective January 1, 2005, there was an increase of only 1.6%. Increases in operating costs that are subject to inflation, such as labor and supply costs, have occurred and are expected to continue to occur regardless of whether there is a compensating increase in reimbursement rates. We cannot predict with certainty the nature or extent of future rate changes, if any. To the extent these rates decline or are not adjusted to keep pace with inflation, our revenues, earnings and cash flows would be adversely affected.

Changes in the structure of, and reimbursement rates under, the Medicare ESRD program could substantially reduce our revenues, earnings and cash flows.

The Medicare composite reimbursement rate covers the cost of treatment, including the supplies used in those treatments, specified laboratory tests and certain pharmaceuticals. Other services and pharmaceuticals, including EPO, vitamin D analogs and iron supplements, are separately billed. Changes to the structure of the composite rate and separately billable reimbursement rates became effective on January 1, 2005. These changes

more than offset the 1.6% composite rate increase that also became effective January 1, 2005. In addition, effective April 1, 2005, the Centers for Medicare and Medicaid Services, or CMS, plans to implement a case-mix adjustment payment methodology which is designed to pay differential composite service rates based on a variety of patient characteristics. If the case-mix adjustment is not properly implemented it could adversely affect the Medicare reimbursement rates. Future changes in the structure of, and reimbursement rates under, the Medicare ESRD program could substantially reduce our revenues, earnings and cash flows.

CMS continues to study the ESRD reimbursement system through a number of demonstration projects which will take place over the next few years. The changes that went into effect on January 1, 2005 include changes in the way we are reimbursed for certain pharmaceuticals that are currently billed outside the composite rate. Pharmaceuticals are approximately one half of our total Medicare revenues. If Medicare begins to include in its composite reimbursement rate pharmaceuticals, laboratory services or other ancillary services that it currently reimburses separately, or if there are further changes to or decreases in the reimbursement rate for these items without a corresponding increase in the composite rate, it would have a material adverse effect on our revenues, earnings and cash flows.

Changes in state Medicaid programs or reimbursement rates could reduce our revenues, earnings and cash flows.

More than 5% of our dialysis revenues are generated from patients who have Medicaid as their primary coverage. State governments may propose reductions in reimbursement rates, limitations on eligibility or other changes to Medicaid programs from time to time. If state governments reduce the rates paid by those programs for dialysis and related services, limit eligibility for Medicaid coverage or adopt changes similar to those adopted by Medicare, then our revenues, earnings and cash flows could be adversely affected.

Changes in clinical practices and reimbursement rates or rules for EPO and other pharmaceuticals could substantially reduce our revenues, earnings and cash flows.

The administration of EPO and other pharmaceuticals accounts for approximately 40% of our total dialysis revenues. Changes in physician practice patterns and accepted clinical practices, changes in private and governmental reimbursement criteria, the introduction of new pharmaceuticals and the conversion to alternate types of administration could have a material adverse effect on our revenues, earnings and cash flows.

For example, some Medicare fiscal intermediaries (Medicare claims processing contractors) are seeking to implement local medical review policies for EPO and vitamin D analogs that would effectively limit utilization of and reimbursement for these pharmaceuticals. CMS has proposed a draft reimbursement policy that would direct all fiscal intermediaries with respect to reimbursement coverage for EPO. It is possible that the draft policy, if finalized, will affect physician prescription patterns and the timing of our cash flows due to changes in auditing methodology by fiscal intermediaries.

Adverse developments with respect to EPO and the introduction of Aranesp® could materially reduce our earnings and cash flows and affect our ability to care for our patients.

Amgen is the sole supplier of EPO and may unilaterally decide to increase its price for EPO at any time. For example, Amgen unilaterally increased its base price for EPO by 3.9% in each of 2002, 2001 and 2000. Although we have entered into contracts for EPO pricing for a fixed time period that includes discount variables depending on certain clinical criteria and other criteria, we cannot predict whether we will continue to receive the discount structure for EPO that we currently receive, or whether we will continue to achieve the same levels of discounts within that structure as we have historically achieved. An increase in the cost of EPO could have a material adverse effect on our earnings and cash flows.

Amgen has developed and obtained FDA approval for Aranesp®, a new pharmaceutical used to treat anemia that may replace EPO or reduce its use with dialysis patients. Unlike EPO, which is generally administered in

conjunction with each dialysis treatment, Aranesp® can remain effective for between two and three weeks. In the event that Amgen begins to market Aranesp® for the treatment of dialysis patients, we may realize lower margins on the administration of Aranesp® than are currently realized with EPO. In addition, some physicians may begin to administer Aranesp® in their offices, which would prevent us from recognizing revenue or profit from the administration of EPO or Aranesp® to those physicians' patients. A significant increase in the use of Aranesp® would have a material adverse effect on our revenues, earnings and cash flows.

The investigation related to the subpoena we received on October 25, 2004 from the U.S. Attorney's Office for the Eastern District of New York could result in substantial penalties against us.

We are voluntarily cooperating with the U.S. Attorney's Office for the Eastern District of New York and the OIG with respect to the subpoena we received on October 25, 2004, which requested a wide range of documents, including specific documents relating to testing of parathyroid hormone levels and products relating to vitamin D therapies. Other participants in the dialysis industry received a similar subpoena including Gambro Healthcare, Fresenius Medical Care and Renal Care Group. The U.S. Attorney's Office has also requested information regarding our Florida laboratory. Compliance with the subpoena will require management attention and legal expense. We are unable to determine when these matters will be resolved, whether any additional areas of inquiry will be opened or any outcome of these matters, financial or otherwise. In addition, criminal proceedings may be initiated against us in connection with this inquiry. Any negative findings could result in substantial financial penalties against us, exclusion from future participation in the Medicare and Medicaid programs and criminal penalties.

The pending federal review related to the subpoena we received in May 2002 from the U.S. Attorney's Office for the Eastern District of Pennsylvania could result in substantial penalties against us.

We are voluntarily cooperating with the Civil Division of the U.S. Attorney's Office for the Eastern District of Pennsylvania and the OIG in a review of some historical practices, including billing and other operating procedures, financial relationships with physicians and pharmaceutical companies, and the provision of pharmaceutical and other ancillary services, including laboratory and other diagnostic testing services. The U.S. Attorney's Office has also requested and received information regarding certain of our laboratories. We are unable to determine when these matters will be resolved, whether any additional areas of inquiry will be opened or any outcome of these matters, financial or otherwise. Any negative findings could result in substantial financial penalties against us and exclusion from future participation in the Medicare and Medicaid programs.

If we fail to adhere to all of the complex government regulations that apply to our business, we could suffer severe consequences that would substantially reduce our revenues, earnings and cash flows.

Our dialysis operations are subject to extensive federal, state and local government regulations, including Medicare and Medicaid reimbursement rules and regulations, federal and state anti-kickback laws, Stark II physician self-referral prohibition and analogous state referral statutes, and federal and state laws regarding the collection, use and disclosure of patient health information. The regulatory scrutiny of healthcare providers, including dialysis providers, has increased significantly in recent years. Medicare has increased the frequency and intensity of its certification surveys and inspections of dialysis centers have increased markedly in recent years. In addition, fiscal intermediaries are increasing their prepayment and post-payment reviews.

We endeavor to comply with all of the requirements for receiving Medicare and Medicaid reimbursement and to structure all of our relationships with referring physicians to comply with the anti-kickback laws and the Stark II physicians self-referral law. However, the laws and regulations in this area are complex and subject to varying interpretations. For example, none of our medical director agreements establishes compensation using the anti-kickback safe harbor method; rather, compensation under our medical director agreements is the result of individual negotiation and the Company believes exceeds amounts determined in that manner. If an enforcement agency were to challenge the level of compensation that we pay our medical directors, we could be required to

change our practices, face criminal or civil penalties, pay substantial fines or otherwise experience a material adverse effect as a result of a challenge to these arrangements.

Due to regulatory considerations unique to each of these states, all of our dialysis operations in New York and some of our dialysis operations in New Jersey are conducted by privately-owned companies to which we provide a broad range of administrative services. These operations account for approximately 6% of our dialysis revenues. We believe that we have structured these operations to comply with the laws and regulations of these states, but we can give no assurances that they will not be challenged.

If any of our operations are found to violate these or other government regulations, we could suffer severe consequences that would have a material adverse effect on our revenues, earnings and cash flows including:

- Mandated practice changes that significantly increase operating expenses;
- Suspension or termination of our participation in government reimbursement programs;
- Refunds of amounts received in violation of law or applicable reimbursement program requirements;
- Loss of required government certifications or exclusion from government reimbursement programs;
- Loss of licenses required to operate healthcare facilities in some of the states in which we operate, including the loss of revenues from operations in New York and New Jersey conducted by privately-owned companies as described above;
- Fines, damages or monetary penalties for anti-kickback law violations, Stark II violations, submission of false claims, civil or criminal liability based on violations of law, or other failures to meet reimbursement program requirements and patient privacy law violations;
- Claims for monetary damages from patients who believe their protected health information has been used or disclosed in violation of federal or state patient privacy laws; and
- Termination of relationships with medical directors.

We may be subject to liability claims for damages and other expenses not covered by insurance that could reduce our earnings and cash flows.

The administration of dialysis and related services to patients may subject us to litigation and liability for damages. Our business, profitability and growth prospects could suffer if we face negative publicity or we pay damages or defense costs in connection with a claim that is outside the scope of any applicable insurance coverage. We currently maintain programs of general and professional liability insurance. However, a successful professional liability, malpractice or negligence claim in excess of our insurance coverage could harm our profitability and liquidity.

In addition, if our costs of insurance and claims increase, then our earnings could decline. Market rates for insurance premiums and deductibles have been steadily increasing. Our earnings and cash flows could be materially and adversely affected by any of the following:

- Further increases in premiums and deductibles;
- Increases in the number of liability claims against us or the cost of settling or trying cases related to those claims; and
- An inability to obtain one or more types of insurance on acceptable terms.

If businesses we acquire have unknown liabilities, we could suffer severe consequences that would substantially reduce our revenues, earnings and cash flows.

Our business strategy includes the acquisition of dialysis centers and businesses that own and operate dialysis centers. Businesses we acquire may have unknown or contingent liabilities or liabilities that are in excess of the amounts that we had estimated. These liabilities could include liabilities arising as a result of any failure to adhere to laws and regulations governing dialysis operations, such as violations of federal or state anti-kickback statutes or Stark II. Although we generally seek indemnification from the sellers of businesses we acquire for

matters that are not properly disclosed to us, we are not always successful. In addition, even in cases where we are able to obtain indemnification, we may discover liabilities greater than the contractual limits or the financial resources of the indemnifying party. In the event that we are responsible for liabilities substantially in excess of any amounts recovered through rights to indemnification, we could suffer severe consequences that would substantially reduce our revenues, earnings and cash flows.

If a significant number of physicians were to cease referring patients to our dialysis centers, whether due to regulatory or other reasons, then our revenues, earnings and cash flows would be substantially reduced.

Many physicians prefer to have their patients treated at dialysis centers where they or other members of their practice supervise the overall care provided as medical directors of the centers. As a result, the primary referral source for most of our centers is often the physician or physician group providing medical director services to the center. If a medical director agreement terminates, whether before or at the end of its term, and a new medical director is appointed, it may negatively impact the former medical director's decision to treat his or her patients at our center. Additionally, both current and former medical directors have no obligation to refer their patients to our centers. Also, if the quality of service levels at our centers deteriorate, it may negatively impact patient referrals and treatment volumes.

Our medical director contracts are for fixed periods, generally five to ten years. Medical directors have no obligation to extend their agreements with us. As of January 1, 2005, there were 59 centers, accounting for approximately 9% of our 2004 treatment volume, at which the medical director agreements require renewal on or before December 31, 2005.

We may take actions to restructure existing relationships or take positions in negotiating extensions of relationships to assure compliance with the safe harbor provisions of the anti-kickback statute, Stark II law and other similar laws. These actions could negatively impact the decision of physicians to extend their medical director agreements with us or to refer their patients to us. If the terms of any existing agreement are found to violate applicable laws, we may not be successful in restructuring the relationship which could lead to the early termination of the agreement, or force the physician to stop referring patients to the centers.

If our joint ventures were found to violate the law, we could suffer severe consequences that would have a material adverse effect on our revenues, earnings and cash flows.

As of December 31, 2004 we operated 128 dialysis centers, representing approximately 15% of our dialysis revenue, that are owned by joint ventures in which we own a controlling interest and one or more physicians or physician practice groups have a minority interest. The physician owners may also provide medical director services to those centers or other centers we own and operate. Because our relationships with physicians are governed by the "anti-kickback" statute contained in the Social Security Act, we have sought to structure our joint venture arrangements to satisfy as many safe harbor requirements as possible. However, our joint venture arrangements do not satisfy all elements of any safe harbor under the federal anti-kickback statute. Based on the exceptions applicable to ESRD services, we believe that our joint venture arrangements and operations materially comply with the Stark II law. If the joint ventures are found to be in violation of the anti-kickback statute or the Stark provisions, we could be required to restructure the joint ventures or refuse to accept referrals for designated health services from the physicians with whom the joint venture centers have a financial relationship. We also could be required to repay to Medicare amounts received by the joint ventures pursuant to prohibited referrals, and we could be subject to monetary penalties and exclusion from government healthcare programs. If our joint venture centers are subject to any of these penalties, we could suffer severe consequences that would have a material adverse effect on our revenues, earnings and cash flows.

The level of our current and future debt could have an adverse impact on our business.

We have substantial debt outstanding and if we consummate the proposed Gambro Healthcare acquisition we will incur substantial additional debt. In addition, we may incur additional indebtedness in the future. The level of our current and proposed indebtedness, among other things, could:

- make it difficult for us to make payments on our debt securities;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes;
- expose us to interest rate fluctuations because the interest on the debt under some of our indebtedness may be at variable rates;
- limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds.

If additional debt financing is not available when required or is not available on acceptable terms, we may be unable to grow our business, take advantage of business opportunities, respond to competitive pressures or refinance maturing debt, any of which could have a material adverse effect on our operating results and financial condition.

We will require a significant amount of cash to service our indebtedness. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on our indebtedness and to fund planned capital expenditures and expansion efforts, including any strategic acquisitions we may make in the future, will depend on our ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control.

We cannot assure you that our business will generate sufficient cash flow from operations in the future, that our currently anticipated growth in revenue and cash flow will be realized on schedule or that future borrowings will be available to us in an amount sufficient to enable us to service our indebtedness, including the notes, or to fund other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. Our senior secured credit facilities are secured by substantially all of our and our subsidiaries' assets. As such, our ability to refinance our debt or seek additional financing could be limited by such security interest. We cannot assure you that we will be able to refinance our indebtedness on commercially reasonable terms or at all.

If the current shortage of skilled clinical personnel continues, we may experience disruptions in our business operations and increases in operating expenses.

We are experiencing increased labor costs and difficulties in hiring nurses due to a nationwide shortage of skilled clinical personnel. We compete for nurses with hospitals and other health care providers. This nursing shortage may limit our ability to expand our operations. If we are unable to hire skilled clinical personnel when needed, our operations and treatment growth will be negatively impacted, which would result in reduced revenues, earnings and cash flows.

Provisions in our charter documents, compensation programs and Delaware law may deter a change of control that our stockholders would otherwise determine to be in their best interests.

Our charter documents include provisions that may deter hostile takeovers, delay or prevent changes of control or changes in our management, or limit the ability of our stockholders to approve transactions that they may otherwise determine to be in their best interests. These include provisions prohibiting our stockholders from acting by written consent, requiring 90 days advance notice of stockholder proposals or nominations to our Board of Directors and granting our Board of Directors the authority to issue up to five million shares of preferred stock and to determine the rights and preferences of the preferred stock without the need for further stockholder approval, and a poison pill that would substantially dilute the interest sought by an acquirer that our Board of Directors does not approve.

In addition, most of our outstanding employee stock options include a provision accelerating the vesting of the options in the event of a change of control. We have also adopted a change of control protection program for our employees who do not have a significant number of stock awards, which provides for cash bonuses to the employees in the event of a change of control. Based on the shares of our common stock outstanding and the market price of our stock on December 31, 2004, these cash bonuses would total approximately $149 million if a control transaction occurred at that price and our Board of Directors did not modify the program. These compensation programs may affect the price an acquirer would be willing to pay.

We are also subject to Section 203 of the Delaware General Corporation Law that, subject to exceptions, would prohibit us from engaging in any business combinations with any interested stockholder, as defined in that section, for a period of three years following the date on which that stockholder became an interested stockholder. These restrictions may discourage, delay or prevent a change in the control of our Company.

These provisions may discourage, delay or prevent an acquisition of our Company at a price that our stockholders may find attractive. These provisions could also make it more difficult for our stockholders to elect directors and take other corporate actions and could limit the price that investors might be willing to pay for shares of our common stock.

The Gambro Healthcare acquisition is significantly larger than any other acquisition we have made to date. We will face challenges integrating the Gambro Healthcare centers and may not realize anticipated benefits.

The Gambro Healthcare acquisition is the largest acquisition we have attempted to date. There is a risk that, due to the size of the acquisition, we will be unable to integrate Gambro Healthcare into our operations as effectively as we have with prior acquisitions, which would result in fewer benefits to us from the acquisition than currently anticipated as well as increased costs. The integration of the Gambro Healthcare operations will require implementation of appropriate operations, management and financial reporting systems and controls. We may experience difficulties in effectively implementing these and other systems and integrating Gambro Healthcare's systems and operations. In addition, the integration of Gambro Healthcare will require the focused attention of our management team, including a significant commitment of their time and resources. The need for management to focus on integration matters, could have a material and adverse impact on our revenues and operating results. If the integration is not successful or if our Gambro Healthcare operations are less profitable than we currently anticipate, our results of operations and financial condition may be materially and adversely affected.

We will assume substantially all of Gambro Healthcare's liabilities, including contingent liabilities. If these liabilities are greater than expected, or if there are unknown Gambro Healthcare obligations, our business could be materially and adversely affected.

As a result of the Gambro Healthcare acquisition, we will assume substantially all of Gambro Healthcare's liabilities, including contingent liabilities. We may learn additional information about Gambro Healthcare's

business that adversely affects us, such as unknown liabilities, issues relating to internal controls over financial reporting, issues that could affect our ability to comply with the Sarbanes-Oxley Act after we acquire Gambro Healthcare or issues that could affect our ability to comply with other applicable laws, including laws and regulations governing dialysis operations. As a result, we cannot assure you that the Gambro Healthcare acquisition will be successful or will not, in fact, harm our business. Among other things, if Gambro Healthcare's liabilities are greater than expected, or if there are obligations of Gambro Healthcare of which we are not aware at the time of completion of the acquisition, our business could be materially and adversely affected.

We have limited indemnification rights in connection with these and other regulatory compliance and litigation matters affecting Gambro Healthcare, as well as known contingent liabilities of Gambro Healthcare that we will assume. For example, Gambro Healthcare was served a complaint regarding a former employee and a putative class of employees in California for claims relating to California labor laws. Although this matter is subject to indemnification under the acquisition agreement, claims relating to this matter may exceed the limit on our indemnification rights. Gambro Healthcare may also have other unknown liabilities which we will be responsible for after the acquisition. If we are responsible for liabilities not covered by indemnification rights or substantially in excess of amounts covered through any indemnification rights, we could suffer severe consequences that would substantially reduce our revenues, earnings and cash flows.

The integration of Gambro Healthcare and the realization of cost savings will require us to make significant expenditures.

In order to obtain the cost savings and operating income that we believe the integration of Gambro Healthcare should provide, we will be required to make significant expenditures. We are in the early stages of planning for the integration process and are uncertain as to the extent and amount of these expenditures. Further, given the amount of indebtedness that we will incur as part of the Gambro Healthcare acquisition, we may not be able to obtain additional financing required for any significant expenditures on favorable terms or at all. In addition, we may not achieve the cost savings we expect through the integration of the Gambro Healthcare operations regardless of our expenditures, which failure would materially and adversely affect our financial results. The costs associated with compliance with the corporate integrity agreement could be substantial and may be greater than we currently anticipate.

If we experience a higher than normal turnover rate for Gambro Healthcare employees after the acquisition, we may not be able to effectively integrate their operations.

In order to successfully integrate the Gambro Healthcare operations into our own, we will require the services of Gambro Healthcare's clinical, operating and administrative employees. If we experience a higher than normal turnover rate for Gambro Healthcare employees, we may not be able to effectively integrate Gambro Healthcare's systems and operations.

If we lose the services of a significant number of Gambro Healthcare's medical directors, our results of operations could be harmed.

Certain of Gambro Healthcare's contracts with its medical directors provide that the contract is terminable upon a change of control of Gambro Healthcare. These termination provisions would be triggered by our acquisition of Gambro Healthcare. If we lose the services of a significant number of Gambro Healthcare's medical directors, our results of operations may be harmed.

Our alliance and product supply agreement with Gambro Renal Products Inc. will limit our ability to achieve costs savings with respect to products and equipment we are required to purchase under this agreement.

In connection with the Gambro Healthcare acquisition, we will enter into a ten-year alliance and product supply agreement with Gambro Renal Products Inc., a subsidiary of Gambro AB, pursuant to which we will be

required to purchase from Gambro Renal Products specified percentages of our requirements for hemodialysis products, supplies and equipment at fixed prices. This will limit our ability to realize future cost savings in regard to these products and equipment. For the twelve months ended December 31, 2004, our total spending on hemodialysis products, supplies and equipment was approximately 8% of our total operating costs. If Gambro Renal Products is unable to fulfill its obligations under the agreement, we may have difficulty finding alternative sources of supplies on favorable financial terms, further reducing our ability to achieve cost savings. In addition, as we replace existing equipment from other third party manufacturers with Gambro Renal Products' equipment, we may incur additional expenses as we transition to this new equipment.

The consummation of the Gambro Healthcare acquisition is subject to a number of conditions; if these conditions are not satisfied or waived, we will not be able to consummate the acquisition.

The stock purchase agreement relating to the Gambro Healthcare acquisition contains a number of conditions which must be satisfied or waived prior to the closing of the acquisition. These conditions include, among others, execution and delivery of the transition services agreement and the alliance product and supply agreement and receipt of regulatory approvals, including antitrust clearance. On February 18, 2005, we received a request from the Federal Trade Commission for additional information in connection with its review of our anti-trust filing. We intend to respond promptly to this request. The effect of the second request is to extend the waiting period imposed by the Hart-Scott-Rodino Act until thirty days after we and Gambro Healthcare have substantially complied with the request, unless that period is extended voluntarily by us and Gambro Healthcare or is terminated sooner by the FTC. In addition, one or more states' Attorneys General could attempt to impose conditions or otherwise interfere with the proposed acquisition. In connection with obtaining antitrust clearance, we may decide to, or the Federal Trade Commission or other regulatory agencies with jurisdiction may request that we divest certain of our or Gambro Healthcare's dialysis centers. These divestitures could be material. In addition, we will require financing in order to consummate the Gambro Healthcare acquisition. We have obtained acquisition financing commitments from a group of financial institutions, however such commitments are subject to customary conditions. We therefore cannot assure you that we will be able to obtain such financing on favorable terms or at all or that we will be able to consummate the Gambro Healthcare acquisition on the terms described herein or at all.

If we do not cause Gambro Healthcare to comply and Gambro Healthcare does not comply with its corporate integrity agreement, or Gambro Healthcare otherwise has failed or fails to comply with applicable government regulations to its operations, we could be subject to additional penalties and otherwise may be materially harmed.

On December 1, 2004, Gambro Healthcare entered into a settlement agreement with the Department of Justice and certain agencies of the United States government relating to the Department of Justice's investigation of Gambro Healthcare's Medicare and Medicaid billing practices and its relationships with physicians and pharmaceutical manufacturers. In connection with the settlement agreement, Gambro Healthcare, without admitting liability, made a one-time payment of approximately $310 million and entered into a corporate integrity agreement with HHS. In addition, its subsidiary, Gambro Supply Corp., entered a plea of guilty to a one count felony charge related to the conduct of its predecessor, REN Supply Corp., and paid a criminal fine of $25 million. Gambro Supply Corp. was excluded from participation in federal health care programs. However, no other Gambro AB affiliates were so excluded. Gambro Healthcare also agreed to voluntarily cooperate with the government in connection with its further investigation. The corporate integrity agreement applies to all of Gambro Healthcare's centers and requires, among other things, that Gambro Healthcare implement additional training, engage an independent review organization to conduct an annual review of certain of its reimbursement claims, and submit to the OIG an annual report with respect to its compliance activities. Moreover, Gambro Healthcare has reached a preliminary understanding with the National Association of Medicaid Fraud Control Units to settle the related claims of the affected state Medicaid programs for a one-time payment of $15 million plus interest accruing at the rate of 5% per annum from December 1, 2004. Completion of the Medicaid settlement is subject to confirmation of certain claims data and negotiation and execution of settlement

agreements with the relevant states. As a result of the settlement agreement, private payors and other third parties may initiate legal proceedings against Gambro Healthcare related to the billing practices and other matters covered by the settlement agreement. If we do not cause Gambro Healthcare to comply, and Gambro Healthcare does not comply, with the terms of the corporate integrity agreement or otherwise has failed or fails to comply with the extensive federal, state and local government regulations applicable to its operations, we could be subject to additional penalties, including monetary penalties or suspension from participation in government reimbursement programs, and otherwise may be materially harmed. The costs associated with compliance with the corporate integrity agreement and cooperation with the government could be substantial and may be greater than we currently anticipate.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Interest rate sensitivity

The table below provides information about our financial instruments that are sensitive to changes in interest rates. The table presents principal repayments and current weighted average interest rates on our debt obligations as of December 31, 2004. For our debt obligations with variable interest rates, the rates presented reflect the current rates in effect at the end of 2004 including the economic effects of our swap agreements. These rates are based on LIBOR plus margins based upon performance and leverage criteria plus the impact from the swap agreements. The margins currently in effect range from 1.75% to 2.00%.

	Expected maturity date							Fair Value	Average interest rate
	2005	2006	2007	2008	2009	Thereafter	Total		
	(dollars in millions)								
Long-term debt:									
Fixed rate	$ 5	$ 1	$ 3			$ 3	$ 13	$ 13	5.53%
Variable rate	$48	$55	$25	$15	$614	$606	$1,363	$1,363	4.63%

Our senior credit facility is based on a floating LIBOR interest rate plus a margin, which is reset periodically and can be locked in for a maximum of six months. As a result, our interest expense is subject to fluctuations as LIBOR interest rates change.

We have entered into three interest rate swap agreements, two matched on our Term Loan B outstanding debt and one matched on our Term Loan C outstanding debt. As of December 31, 2004, the total notional amount of these swap agreements was $345 million and the interest rates were economically modified to fixed rates ranging from 3.08% to 3.64% plus the Term Loan margins ranging from 1.75% to 2.00%, in effect as of December 31, 2004. This resulted in an overall effective rate of 5.27% as of December 31, 2004, on approximately 25% of our outstanding debt. Two of the swap agreements expire in 2008 and one in 2009. As of December 31, 2004, the fair value of the swaps was an asset of $2.4 million.

As a result of these swap agreements, our overall effective weighted average interest rate of our credit facility was 4.60% based upon current margins in effect ranging from 1.75% to 2.00% as of December 31, 2004.

We also have entered into two forward interest rate swap agreements that will have the economic effect of modifying the LIBOR-based interest rate to become a fixed rate at 3.875% effective July 1, 2005. The total amortizing notional amount of the two swaps is $800 million and both expire in January 2010 and require quarterly interest payments beginning in October 2005. As of December 31, 2004, the fair value of these swaps was an asset of $0.4 million.

As a result of all of our swap agreements, we will have over 80% of our outstanding variable rate debt economically fixed.

One means of assessing exposure to interest rate changes is duration-based analysis that measures the potential loss in net income resulting from a hypothetical increase in interest rates of 100 basis points across all variable rate maturities (referred to as a “parallel shift in the yield curve”). Under this model, with all else constant, it is estimated that such an increase would have reduced net income by approximately $5.9 million, $6.5 million and $3.5 million, net of tax, for the years ended December 31, 2004, 2003 and 2002, respectively.

Exchange rate sensitivity

We are currently not exposed to any foreign currency exchange rate risk.

Item 8. Financial Statements and Supplementary Data.

See the Index to Financial Statements and Index to Financial Statement Schedules included at "Item 15. Exhibits, Financial Statement Schedules."

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Management has established and maintains disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in the reports filed by the Company pursuant to the Securities Exchange Act of 1934, as amended, or Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and regulations, and that such information is accumulated and communicated to the Company's management including its Chief Executive Officer and Chief Financial Officer as appropriate to allow for timely decisions regarding required disclosures. Management recognizes that these controls and procedures can provide only reasonable assurance of desired outcomes, and that estimates and judgments are still inherent in the process of maintaining effective controls and procedures.

At the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures in accordance with the Exchange Act requirements. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective for timely identification and review of material information required to be included in the Company's Exchange Act reports, including this report on Form 10-K.

Management's report on internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act, is included in the Report of Management on page F-1 and incorporated herein by reference.

Item 9B. Other Information.

To encourage extraordinary effort in areas that can have a significant positive impact on the Company's business, the Company has given certain executives the opportunity to earn special bonuses, which, if earned, would be in addition to any other compensation or benefits for which the executives would otherwise be eligible. Currently, Dr. Charles J. McAllister has a special bonus opportunity of up to $430,000. The memorandum evidencing such opportunity has been filed as an exhibit to this Form 10-K. Also, the Company has understandings with Messrs. Thomas Kelly, Thomas Usilton and Joseph Schohl to pay them special bonuses of up to $250,000, $200,000 and $125,000, respectively, if certain results are successfully achieved in connection with the pending acquisition of Gambro Healthcare. The Company has entered into an amended and restated Employment Agreement with Denise Fletcher, Chief Financial Officer of the Company, which is filed as an Exhibit to this Form 10-K and which modified certain provisions of the original agreement relating to severance.

PART III

Item 10. Directors and Executive Officers of the Registrant.

In 2002, we adopted a Corporate Governance Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, and to all of our financial accounting and reporting professionals who are directly or indirectly involved in the preparation, reporting and fair presentation of our financial statements and Exchange Act Reports. The Code of Ethics is posted on the Company's website, located at http://www.davita.com. The Company also maintains a Corporate Code of Conduct that applies to all of its employees, which is posted on the Company's website.

Under our Corporate Governance Guidelines all Board Committees including the Audit Committee, Nominating and Governance Committee and the Compensation Committee, which are comprised solely of Independent Directors as defined within the listing standards of the New York Stock Exchange, have written charters that outline the committee's purpose, goals, membership requirements and responsibilities. These charters are regularly reviewed and updated as necessary by our Board of Directors. All Board Committee charters as well as the Corporate Governance Guidelines are posted on our website located at http://www.davita.com. This information is also available in print to any shareholders who request it.

On June 11, 2004, we submitted to the New York Stock Exchange a certification signed by our Chief Executive Officer that as of May 3, 2004 he was not aware of any violation by us of the NYSE corporate governance listing standards.

The other information required to be disclosed by this item will appear in, and is incorporated by reference from, the section entitled "Proposal No. 1. Election of Directors" under the subheading "Information concerning nominees to our board of directors" and the section entitled "Executive Officers, Compensation and Other Information" under the subheadings "Information concerning our executive officers" and "Section 16(a) beneficial ownership reporting compliance" and the section entitled "the Audit Committee Financial Expert" included in our definitive proxy statement relating to our 2005 annual stockholder meeting.

Item 11. Executive Compensation.

The information required by this item will appear in, and is incorporated by reference from, the section entitled "Proposal No. 1. Election of Directors" under the subheading "Compensation of directors" and the section entitled "Executive Officers, Compensation and Other Information" under the subheadings "Executive compensation," "Employment agreements" and "Compensation committee interlocks and insider participation" included in our definitive proxy statement relating to our 2005 annual stockholder meeting. The compensation committee report and performance graph required by Items 402(k) and (l) of Regulation S-K are not incorporated herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The following table provides information about our common stock that may be issued upon the exercise of options, warrants and rights under all of our existing equity compensation plans and arrangements as of December 31, 2004, including the 1994 Equity Compensation Plan, the 1995 Equity Compensation Plan, the 1997 Equity Compensation Plan, the 1999 Equity Compensation Plan, the 1999 Non-Executive Officer and Non-Director Equity Compensation Plan, the Special Purpose Option Plan (RTC Plan), the 2002 Equity Compensation Plan, the Employee Stock Purchase Plan and the deferred stock unit arrangements. The material terms of each of these plans and arrangements are described in the notes to the December 31, 2004 consolidated financial statements. The 1999 Non-Executive Officer and Non-Director Equity Compensation Plan and the deferred stock unit arrangements were not required to be approved by our shareholders.

Plan category	Number of shares to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))	Total of shares reflected in columns (a) and (c)
	(a)	*(b)*	*(c)*	*(d)*
Equity compensation plans approved by shareholders . . .	7,393,107	$17.56	14,446,031	21,839,138
Equity compensation plans not requiring shareholder approval	3,509,769	$13.11	67,337	3,577,106
Total	10,902,876	$16.13	14,513,368	25,416,244

Other information required to be disclosed by item 12 will appear in, and is incorporated by reference from, the section entitled "Security Ownership of Principal Stockholders, Directors and Officers" included in our definitive proxy statement relating to our 2005 annual stockholder meeting.

Item 13. Certain Relationships and Related Transactions.

The information required by this item will appear in, and is incorporated by reference from, the section entitled "Certain Relationships and Related Transactions" included in our definitive proxy statement relating to our 2005 annual stockholder meeting.

Item 14. Principal Accounting Fees and Services.

The information required by this item will appear in, and is incorporated by reference from, the section entitled "Independent Auditors" under the subheadings "Audit Fees", "Audit-Related Fees", "Tax Fees", and "All Other Fees" included in our definitive proxy statement relating to our 2005 annual stockholder meeting.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Documents filed as part of this Report:

(1) *Index to Financial Statements:*

(2) *Index to Financial Statement Schedules:*

(3) *Exhibits:*

2.1	Stock Purchase Agreement dated as of December 6, 2004, among Gambro AB, Gambro, Inc. and DaVita Inc. (16)
3.1	Amended and Restated Certificate of Incorporation of Total Renal Care Holdings, Inc., or TRCH, dated December 4, 1995.(1)
3.2	Certificate of Amendment of Certificate of Incorporation of TRCH, dated February 26, 1998.(2)
3.3	Certificate of Amendment of Certificate of Incorporation of DaVita Inc. (formerly Total Renal Care Holdings, Inc.), dated October 5, 2000.(6)
3.4	Amended and Restated Bylaws of DaVita Inc. (formerly Total Renal Care Holdings, Inc.) dated June 3, 2004.(14)
4.1	Rights Agreement, dated as of November 14, 2002, between DaVita Inc. and the Bank of New York, as Rights Agent. (3)
10.1	Employment Agreement, dated as of October 18, 1999, by and between TRCH and Kent J. Thiry.(4)*
10.2	Amendment to Mr. Thiry's Employment Agreement, dated May 20, 2000.(5)*
10.3	Second Amendment to Mr. Thiry's Employment Agreement, dated November 28, 2000.(6)*
10.4	Employment Agreement, dated as of November 29, 1999, by and between TRCH and Gary W. Beil.(6)*

10.5	Employment Agreement, dated as of July 19, 2000, by and between TRCH and Charles J. McAllister.(6)*
10.6	Employment Agreement, dated as of June 15, 2000, by and between DaVita Inc. and Joseph Mello.(8)*
10.7	Employment Agreement, dated as of October 15, 2002, by and between DaVita Inc. and Lori S. Richardson-Pellicioni.(7)*
10.8	Employment Agreement effective as of June 7, 2004, by and between DaVita Inc. and Tom Kelly.(13)*
10.9	Amended and Restated Employment Agreement, effective as of February 28, 2005, by and between DaVita Inc. and Denise K. Fletcher.✓*
10.10	Employment Agreement, effective as of August 16, 2004, by and between DaVita Inc. and Tom Usilton.(14)*
10.11	Employment Agreement, effective as of November 18, 2004, by and between DaVita Inc. and Joseph Schohl. ✓*
10.12	Second Amended and Restated 1994 Equity Compensation Plan.(9) *
10.13	First Amended and Restated 1995 Equity Compensation Plan.(9)*
10.14	First Amended and Restated 1997 Equity Compensation Plan.(9)*
10.15	First Amended and Restated Special Purpose Option Plan.(9)*
10.16	1999 Equity Compensation Plan.(10)*
10.17	Amended and Restated 1999 Equity Compensation Plan.(11)*
10.18	First Amended and Restated Total Renal Care Holdings, Inc. 1999 Non-Executive Officer and Non-Director Equity Compensation Plan.(7)
10.19	2002 Equity Compensation Plan.(12)*
10.20	Form of Stock Option Agreement for stock options grants to employees under the Company's 2002 Equity Compensation Plan.(14)*
10.21	Form of Restricted Stock Unit Agreement for restricted stock unit grants to employees under the Company's 2002 Equity Compensation Plan.(14)*
10.22	Security Agreement, dated as of April 26, 2002, made by and among DaVita Inc. and the subsidiaries of DaVita Inc. named therein to Credit Suisse First Boston, Cayman Islands Branch, as the Collateral Agent for the lenders party to the Credit Agreement.(17)
10.23	Subsidiary Guarantee, dated as of April 26, 2002, made by the subsidiaries of DaVita Inc. named therein in favor of the lenders party to the Credit Agreement.(17)
10.24	Third Amended and Restated Credit Agreement, dated as of July, 30, 2004, among DaVita Inc., the lenders party thereto, Credit Suisse First Boston, Cayman Islands Branch as Joint Book Manager, and Administrative Agent and Sole Book Manager for the Term Loan B and the Term Loan C, Banc of America Securities LLC as Joint Book Manager and Bank of America N.A., as Syndication Agent.(13)
10.25	Security Agreement Supplement, dated July 30, 2004, made by the subsidiaries of DaVita Inc. named therein in favor of the lenders party.(13)
10.26	Guarantee Supplement, dated July 30, 2004, made by the subsidiaries of DaVita Inc., named therein in favor of the lenders party to the Third Amended and Restated Credit Agreement.(13)
10.27	Amended and Restated Agreement dated December 2, 2004, between Amgen USA Inc. and DaVita Inc.✓**
10.28	Form of Indemnity Agreement. ✓*
10.29	Executive Incentive Plan.(11) *

10.30	Post-Retirement Deferred Compensation Arrangement. ✓*
10.31	Memorandum relating to bonus structure for Charles J. McAllister. ✓*
10.32	Director Compensation Philosophy and Plan.✓*
12.1	Computation of Ratios of Earnings to Fixed Charges. ✓
14.1	DaVita Inc. Corporate Governance Code of Ethics.(16)
21.1	List of our subsidiaries. ✓
23.1	Consent of KPMG LLP.✓
24.1	Powers of Attorney with respect to DaVita. (Included on Page II-1)
31.1	Certification of the Chief Executive Officer, dated February 28, 2005, pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.✓
31.2	Certification of the Chief Financial Officer, dated February 28, 2005, pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.✓
32.1	Certification of the Chief Executive Officer, dated February 28, 2005, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.✓
32.2	Certification of the Chief Financial Officer, dated February 28, 2005, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.✓

✓ Included in this filing.

* Management contract or executive compensation plan or arrangement.

** Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the SEC.

(1) Filed on March 18, 1996 as an exhibit to our Transitional Report on Form 10-K for the transition period from June 1, 1995 to December 31, 1995.

(2) Filed on March 31, 1998 as an exhibit to our Form 10-K for the year ended December 31, 1997.

(3) Filed on November 19, 2002 as an exhibit to our Form 8-K reporting the adoption of the Rights Agreement.

(4) Filed on November 15, 1999 as an exhibit to the Company's Form 10-Q for the quarter ended September 30, 1999.

(5) Filed on August 14, 2000 as an exhibit to the Company's Form 10-Q for the quarter ended June 30, 2000.

(6) Filed on March 20, 2001 as an exhibit to our Form 10-K for the year ended December 31, 2000.

(7) Filed on February 2, 2003 as an exhibit to the Company's Form 10-K for the year ended December 31, 2002.

(8) Filed on August 15, 2001 as an exhibit to the Company's Form 10-Q for the quarter ended June 30, 2001.

(9) Filed on March 29, 2000 as an exhibit to our Form 10-K for the year ended December 31, 1999.

(10) Filed on February 18, 2000 as an exhibit to our Registration Statement on Form S-8 (Registration Statement No. 333-30736).

(11) Filed on April 27, 2001 as an exhibit to the Definitive Proxy Statement for our 2001 Annual Meeting of Stockholders.

(12) Filed on March 14, 2002 as an exhibit to the Definitive Proxy Statement for our 2002 Annual Meeting of Stockholders.

(13) Filed on August 5, 2004 as an exhibit to the Company's Form 10-Q for the quarter ended June 30, 2004.

(14) Filed on November 8, 2004 as an exhibit to the Company's Form 10-Q for the quarter ended September 30, 2004.

(15) Filed on March 27, 2004 as an exhibit to the Company's Form 10-K for the year ended December 31, 2003.

(16) Filed on December 8, 2004 as an exhibit to the Company's Form 8-K.

(17) Filed on May 14, 2002 as an exhibit to the Company's Form 10-Q for the quarter ending March 31, 2002.

DAVITA INC.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We are responsible for establishing and maintaining an adequate system of internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

During the last fiscal year, the Company conducted an evaluation, under the oversight of the Principal Executive and Principal Financial Officers, of the effectiveness of the design and operation of the Company's internal control over financial reporting. This evaluation was completed based on the criteria established in the report titled "Internal Control—Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon that evaluation, we have concluded that the Company's internal control over financial reporting was effective as of December 31, 2004.

The Company's consolidated financial statements have also been audited and reported on by our independent registered public accounting firm, KPMG LLP, who issued an attestation report on management's assessment of the effectiveness of the Company's internal control over financial reporting, which is included in this Annual Report.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
DaVita Inc.:

We have audited the accompanying consolidated balance sheets of DaVita Inc. and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2004. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DaVita Inc. and subsidiaries as of December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2004, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of DaVita Inc.'s internal control over financial reporting as of December 31, 2004, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 25, 2005 expressed an unqualified opinion on management's assessment of, and the effective operation of, internal control over financial reporting.

/s/ KPMG LLP

Seattle, Washington
February 25, 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
DaVita Inc:

We have audited management's assessment, included in the accompanying management's report on internal control over financial reporting, that DaVita Inc. maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). DaVita Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that DaVita Inc. maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on COSO. Also, in our opinion, DaVita Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of DaVita Inc. and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2004, and our report dated February 25, 2005 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Seattle, Washington
February 25, 2005

DAVITA INC.

CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except per share data)

	Year ended December 31,		
	2004	2003	2002
Net operating revenues	$ 2,298,595	$ 2,016,418	$ 1,854,632
Operating expenses and charges:			
Patient care costs	1,555,070	1,360,556	1,217,685
General and administrative	192,082	159,628	154,073
Depreciation and amortization	86,666	74,687	64,665
Provision for uncollectible accounts	40,960	35,700	26,877
Minority interests and equity income, net	13,694	7,312	7,506
Total operating expenses and charges	1,888,472	1,637,883	1,470,806
Operating income	410,123	378,535	383,826
Debt expense	52,412	66,828	71,636
Refinancing charges		26,501	48,930
Other income, net	4,173	3,060	3,997
Income before income taxes	361,884	288,266	267,257
Income tax expense	139,630	112,475	109,928
Net income	$ 222,254	$ 175,791	$ 157,329
Earnings per share:			
Basic	$ 2.25	$ 1.86	$ 1.46
Diluted	$ 2.16	$ 1.66	$ 1.30
Weighted average shares for earnings per share:			
Basic	98,727,000	94,346,000	107,747,000
Diluted	102,861,000	113,760,000	135,720,000

See notes to consolidated financial statements.

DAVITA INC.

CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)

	December 31, 2004	December 31, 2003
ASSETS		
Cash and cash equivalents	$ 251,979	$ 61,657
Accounts receivable, less allowance of $58,166 and $52,554	462,095	387,933
Medicare lab recoveries		19,000
Inventories	31,843	32,853
Other current assets	44,210	43,875
Deferred income taxes	78,593	59,740
Total current assets	868,720	605,058
Property and equipment, net	412,064	342,447
Amortizable intangibles, net	60,719	49,971
Investments in third-party dialysis businesses	3,332	3,095
Other long-term assets	10,898	10,771
Goodwill	1,156,226	934,188
	$2,511,959	$1,945,530
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 96,231	$ 71,868
Other liabilities	157,214	112,654
Accrued compensation and benefits	133,919	100,909
Current portion of long-term debt	53,364	50,557
Income taxes payable	1,007	26,832
Total current liabilities	441,735	362,820
Long-term debt	1,322,468	1,117,002
Other long-term liabilities	22,570	19,310
Deferred income taxes	148,859	106,240
Minority interests	53,193	33,287
Commitments and contingencies		
Shareholders' equity:		
Preferred stock ($0.001 par value, 5,000,000 shares authorized; none issued)		
Common stock ($0.001 par value, 195,000,000 shares authorized; 134,862,283 and 134,806,204 shares issued)	135	135
Additional paid-in capital	542,714	539,575
Retained earnings	611,287	389,083
Treasury stock, at cost (36,295,339 and 38,052,028 shares)	(632,732)	(620,998)
Accumulated comprehensive income valuations	1,730	(924)
Total shareholders' equity	523,134	306,871
	$2,511,959	$1,945,530

See notes to consolidated financial statements.

DAVITA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Year ended December 31,		
	2004	2003	2002
Cash flows from operating activities:			
Net income	$ 222,254	$ 175,791	$ 157,329
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	86,666	74,687	64,665
Stock options, principally tax benefits	42,770	20,180	22,212
Deferred income taxes	29,115	20,914	62,172
Minority interests in income of consolidated subsidiaries	15,135	8,908	9,299
Distributions to minority interests	(10,461)	(7,663)	(6,165)
Equity investment income	(1,441)	(1,596)	(1,791)
Loss (gain) on divestitures	764	2,130	(1,151)
Non-cash debt expense	2,088	3,124	3,217
Refinancing charges		26,501	48,930
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:			
Accounts receivable	(61,424)	(41,369)	(17,699)
Medicare lab recoveries	19,000	(19,000)	
Inventories	4,257	3,159	(342)
Other current assets	1,780	(13,297)	(19,089)
Other long-term assets	3,345	4,692	527
Accounts payable	17,764	(6,875)	10,822
Accrued compensation and benefits	32,899	5,821	6,837
Other current liabilities	42,784	9,958	2,585
Income taxes	(25,995)	17,810	(4,821)
Other long-term liabilities	(1,355)	9,773	4,458
Net cash provided by operating activities	419,945	293,648	341,995
Cash flows from investing activities:			
Additions of property and equipment, net	(128,328)	(100,272)	(102,712)
Acquisitions and divestitures, net	(265,042)	(97,370)	(18,511)
Investments in and advances to affiliates, net	14,344	4,456	5,064
Intangible assets	(635)	(790)	(342)
Net cash used in investing activities	(379,661)	(193,976)	(116,501)
Cash flows from financing activities:			
Borrowings	4,444,160	4,766,276	2,354,105
Payments on long-term debt	(4,236,861)	(4,797,994)	(1,855,199)
Debt redemption premium		(14,473)	(40,910)
Deferred financing costs	(4,153)	(4,193)	(10,812)
Purchase of treasury stock	(96,540)	(107,162)	(642,171)
Stock option exercises	43,432	23,056	29,257
Net cash provided by (used in) financing activities	150,038	(134,490)	(165,730)
Net increase (decrease) in cash and cash equivalents	190,322	(34,818)	59,764
Cash and cash equivalents at beginning of year	61,657	96,475	36,711
Cash and cash equivalents at end of year	$ 251,979	$ 61,657	$ 96,475

See notes to consolidated financial statements.

DAVITA INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME
(dollars and shares in thousands)

	Common stock		Additional paid-in	Retained	Treasury stock		Accumulated comprehensive income	
	Shares	Amount	capital	earnings	Shares	Amount	valuations	Total
Balance at December 31, 2001	128,114	$128	$467,906	$ 55,963	(1,333)	$ (20,360)	—	$503,637
Comprehensive income:								
Net income and comprehensive income				157,329				157,329
Shares issued to employees and others	67		798					798
Stock options exercised	5,131	5	28,454					28,459
Income tax benefit on stock options exercised			22,150					22,150
Stock option expense			62					62
Treasury stock purchases					(40,991)	(642,171)		(642,171)
Balance at December 31, 2002	133,312	$133	$519,370	$213,292	(42,324)	$(662,531)	—	$ 70,264
Comprehensive income:								
Net income				175,791				175,791
Unrealized loss on interest rate swaps							$ (924)	(924)
Total comprehensive income								174,867
Shares issued upon conversion of debt			14,076		7,326	114,700		128,776
Shares issued to employees and others	63		873					873
Deferred stock unit shares issued			(220)		49	770		550
Stock options exercised	1,431	2	(14,704)		2,060	33,225		18,523
Income tax benefit on stock options exercised			20,204					20,204
Stock option expense			(24)					(24)
Treasury stock purchases					(5,163)	(107,162)		(107,162)
Balance at December 31, 2003	134,806	$135	$539,575	$389,083	(38,052)	$(620,998)	$ (924)	$306,871
Comprehensive income:								
Net income				222,254				222,254
Unrealized gain on interest rate swaps							2,654	2,654
Total comprehensive income								224,908
Shares issued to employees and others	56		959					959
Restricted stock unit shares issued			(936)		161	2,629		1,693
Stock options exercised			(39,497)		4,946	82,177		42,680
Income tax benefit on stock options exercised			42,770					42,770
Payment of stock split fractional shares and related costs			(157)	(50)				(207)
Treasury stock purchases					(3,350)	(96,540)		(96,540)
Balance at December 31, 2004	134,862	$135	$542,714	$611,287	(36,295)	$(632,732)	$1,730	$523,134

See notes to consolidated financial statements.

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except per share data)

1. Organization and summary of significant accounting policies

Organization

DaVita Inc. operates kidney dialysis centers and provides related medical services primarily in dialysis centers and in contracted hospitals across the United States. These operations represent a single business segment.

Basis of presentation

These consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States. The financial statements include the Company's subsidiaries and partnerships that are wholly-owned, majority-owned, or in which the Company maintains a controlling financial interest. All significant intercompany transactions and balances have been eliminated. Non-consolidated equity investments are recorded under the equity or cost method of accounting as appropriate. Prior year balances and amounts have been classified to conform to the current year presentation.

All share and per-share data have been adjusted for all periods presented to retroactively reflect the effects of a three-for-two stock split in the form of a stock dividend in the second quarter of 2004.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the use of estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and contingencies. Although actual results in subsequent periods will differ from these estimates, such estimates are developed based on the best information available to management and management's best judgments at the time made. All significant assumptions and estimates underlying the reported amounts in the financial statements and accompanying notes are regularly reviewed and updated. Changes in estimates are reflected in the financial statements based upon on-going actual experience trends, or subsequent settlements and realizations depending on the nature and predictability of the estimates and contingencies. Interim changes in estimates related to annual operating costs are applied prospectively within annual periods.

The most significant assumptions and estimates underlying these financial statements and accompanying notes involve revenue recognition and provisions for uncollectible accounts, impairments and valuation adjustments, accounting for income taxes and variable compensation accruals. Specific estimating risks and contingencies are further addressed within these notes to the consolidated financial statements.

Net operating revenues

Operating revenues are recognized in the period services are provided. Revenues consist primarily of reimbursements from Medicare, Medicaid and commercial health plans for dialysis and ancillary services provided to patients. A usual and customary fee schedule is maintained for our dialysis treatment and other patient services; however, actual collectible revenue is normally at a discount to the fee schedule.

Revenue recognition involves significant estimating risks. The rates at which the Company is reimbursed are often subject to significant uncertainties related to wide variations in coverage terms of the more than 1,500 commercial healthcare plans under which reimbursements are made, often arbitrary and inconsistent reimbursements by commercial payors, on-going insurance coverage changes, differing interpretations of

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

contract coverage, and other payor issues. Revenue recognition uncertainties inherent in the Company's operations are addressed in AICPA Statement of Position (SOP) No. 00-1 *Auditing Health Care Third-Party Revenues and Related Receivables*. As addressed in SOP No. 00-1, net revenue recognition and allowances for uncollectible billings require the use of estimates of the amounts that will actually be realized considering, among other items, retroactive adjustments that may be associated with regulatory reviews, audits, billing reviews and other matters.

Revenues associated with Medicare and Medicaid programs are recognized based on a) the reimbursement rates that are established by statute or regulation for the portion of the reimbursement rates paid by the government payor (e.g., 80% for Medicare patients) and b) for the portion not paid by the primary government payor, the estimated amounts that will ultimately be collectible from other government programs paying secondary coverage (eg. Medicaid secondary coverage), the patient's commercial health plan secondary coverage, or the patient. Revenues associated with commercial health plans are estimated based on contractual terms for the patients under healthcare plans with which we have formal agreements, commercial health plan coverage terms if known, estimated secondary collections, historical collection experience, historical trends of refunds and payor payment adjustments (retractions), inefficiencies in our billing and collection processes that can result in denied claims for reimbursements, and regulatory compliance issues. Our range of revenue estimating risk is generally expected to be within 1% of total revenue. Changes in revenue estimates for prior periods are separately disclosed if material.

Management and administrative support services are provided to dialysis centers and physician practices not owned by the Company. The management fees are principally determined as a percentage of the managed operations' revenues or cash collections and in some cases an additional component based upon a percentage of operating income. Management fees are included in net operating revenues as earned.

Other income

Other income includes interest income on cash investments and other non-operating gains and losses.

Cash and cash equivalents

Cash equivalents are highly liquid investments with maturities of three months or less at date of purchase, valued at market.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market and consist principally of pharmaceuticals and dialysis related supplies.

Property and equipment

Property and equipment are stated at cost reduced by any impairments. Maintenance and repairs are charged to expense as incurred. Depreciation and amortization expenses are computed using the straight-line method over the useful lives of the assets estimated as follows: buildings, 20 to 40 years; leasehold improvements, the shorter of their estimated useful life or the lease term; and equipment, software and information systems, principally 3 to 8 years. Disposition gains and losses are included in current operating expenses.

Amortizable intangibles

Amortizable intangible assets include noncompetition and similar agreements and deferred debt issuance costs, each of which have determinate useful lives. Noncompetition agreements are amortized over the terms of

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

the agreements, typically ten years, using the straight-line method. Deferred debt issuance costs are amortized to debt expense over the term of the related debt using the effective interest method.

Goodwill

Goodwill represents the difference between the purchase cost of acquired businesses and the fair value of the identifiable tangible and intangible net assets acquired. Goodwill is not amortized but is assessed for valuation impairment as circumstances warrant and at least annually. An impairment charge would be recorded to the extent the book value of goodwill exceeds its fair value. The Company operates as one reporting unit for goodwill impairment assessments.

Impairment of long-lived assets

Long-lived assets, including property and equipment, investments, and amortizable intangible assets, are reviewed for possible impairment at least annually and whenever significant events or changes in circumstances indicate that an impairment may have occurred, including changes in our business strategy and plans. An impairment is indicated when the sum of the expected future undiscounted net cash flows identifiable to an asset or asset group is less than its carrying value. Impairment losses are determined from actual or estimated fair values, which are based on market values, net realizable values or projections of discounted net cash flows, as appropriate. Impairment charges are included in operating expenses. Interest is not accrued on impaired loans unless the estimated recovery amounts justify such accruals.

Income taxes

Federal and state income taxes are computed at current enacted tax rates, less tax credits. Taxes are adjusted both for items that do not have tax consequences and for the cumulative effect of any changes in tax rates from those previously used to determine deferred tax assets or liabilities. Tax provisions include amounts that are currently payable, changes in deferred tax assets and liabilities that arise because of temporary differences between the timing of when items of income and expense are recognized for financial reporting and income tax purposes, which are measured using enacted tax rates and laws expected to apply in the periods when the deferred tax liability or asset is expected to be realized, and any changes in the valuation allowance caused by a change in judgment about the realizability of the related deferred tax assets.

Minority interests

Consolidated income is reduced by the proportionate amount of income accruing to minority interests. Minority interests represent the equity interests of third-party owners in consolidated entities which are not wholly-owned. As of December 31, 2004, third parties held minority ownership interests in 48 consolidated entities.

Stock-based compensation

Stock-based compensation for employees is determined in accordance with Accounting Principles Board Opinion No. 25 *Accounting for Stock Issued to Employees*, as allowed under SFAS No. 123 *Accounting for Stock-Based Compensation*. Stock option grants to employees do not result in an expense if the exercise price is at least equal to the market price at the date of grant. Stock option expense is also measured and recorded for certain modifications to stock options as required under FASB Interpretation No. 44 *Accounting for Certain Transactions Involving Stock Compensation*. Stock options issued to non-employees and restricted stock units are valued using the Black-Scholes model and amortized over the respective vesting periods.

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

Pro forma net income and earnings per share. If the Company had adopted the fair value-based compensation expense provisions of SFAS No. 123 upon the issuance of that standard, net income and net income per share would be equal to the pro forma amounts indicated below:

Pro forma—As if all stock options were expensed	Year ended December 31, 2004	2003	2002
Net income:			
As reported	$222,254	$175,791	$157,329
Add: Stock-based employee compensation expense included in reported net income, net of tax	1,168	1,036	753
Deduct: Total stock-based employee compensation expense under the fair value-based method, net of tax	(10,109)	(9,554)	(10,182)
Pro forma net income	$213,313	$167,273	$147,900
Pro forma basic earnings per share:			
Pro forma net income for basic earnings per share calculation	$213,313	$167,273	$147,900
Weighted average shares outstanding	98,694	94,253	107,681
Vested restricted stock units	33	93	66
Weighted average shares for basic earnings per share calculation	98,727	94,346	107,747
Basic net income per share—Pro forma	$ 2.16	$ 1.77	$ 1.37
Basic net income per share—As reported	$ 2.25	$ 1.86	$ 1.46
Pro forma diluted earnings per share:			
Pro forma net income	$213,313	$167,273	$147,900
Debt expense savings, net of tax, from assumed conversion of convertible debt		13,011	19,661
Pro forma net income for diluted earnings per share calculation	$213,313	$180,284	$167,561
Weighted average shares outstanding	98,694	94,253	107,681
Vested restricted stock units	33	93	66
Assumed incremental shares from stock plans	4,271	4,256	6,277
Assumed incremental shares from convertible debt		14,926	23,090
Weighted average shares for diluted earnings per share calculation	102,998	113,528	137,114
Diluted net income per share—Pro forma	$ 2.07	$ 1.59	$ 1.22
Diluted net income per share—As reported	$ 2.16	$ 1.66	$ 1.30

The fair values of stock option grants were estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions: weighted average expected volatility of 37% for 2004 and 40% for 2003 and 2002, risk-free interest rates of 2.91%, 2.07% and 3.99% for 2004, 2003, and 2002, respectively, and weighted average expected lives of 3.5 and dividend yield of 0% for all years presented.

Interest rate swap agreements

The Company has from time to time entered into interest rate swap agreements as a means of managing its exposure to interest rate changes. These agreements are not held for trading or speculative purposes, and have the effect of converting portions of our variable rate debt to a fixed rate. The agreements are effective cash flow hedges. Any gains or losses resulting from changes in the fair values of the swaps are reported in other comprehensive income until such time as the agreements are either redesignated, sold or terminated, at which time the amounts are included in net income. Net amounts paid or received under these swaps have been reflected as adjustments to interest expense.

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

New accounting standard

In December 2004, the Financial Accounting Standards Board (FASB) issued Statement No. 123R, *Share-Based Payment,* that amends FASB Statements No. 123 and 95, and supersedes APB Opinion No. 25 *Accounting for Stock Issued to Employees.* This statement requires a company to measure the cost of employee services received in exchange for an award of equity instruments, such as stock options, based on the grant-date fair value of the award and to recognize such cost over the requisite period during which an employee provides service, usually the vesting period. The grant-date fair value will be determined using option-pricing models adjusted for unique characteristics of the equity instruments. The statement also addresses the accounting for transactions in which a company incurs liabilities in exchange for goods or services that are based on the fair value of the Company's equity instruments or that may be settled through the issuance of such equity instruments. The statement does not change the accounting for transactions in which a company issues equity instruments for services to non-employees or the accounting for employee stock ownership plans. This statement is effective beginning in the third quarter of 2005, and requires the Company to recognize compensation costs on all outstanding awards for which the requisite service has not yet been rendered. The Company currently projects that the adoption of this standard will reduce pre-tax income by less than $10,000 for the second half of 2005.

2. Earnings per share

Basic net income per share is calculated by dividing net income by the weighted average number of common shares outstanding. Diluted net income per share includes the dilutive effect of stock options and unvested restricted stock units (under the treasury stock method) and convertible debt (under the if-converted method).

The reconciliations of the numerators and denominators used to calculate basic and diluted net income per share are as follows:

	Year ended December 31,		
	2004	2003	2002
	(in thousands, except per share)		
Basic:			
Net income	$222,254	$175,791	$157,329
Weighted average shares outstanding during the year	98,694	94,253	107,681
Vested restricted stock units	33	93	66
Weighted average shares for basic earnings per share calculation	98,727	94,346	107,747
Basic net income per share	$ 2.25	$ 1.86	$ 1.46
Diluted:			
Net income	$222,254	$175,791	$157,329
Debt expense savings, net of tax, from assumed conversion of convertible debt	—	13,011	19,661
Net income for diluted earnings per share calculation	$222,254	$188,802	$176,990
Weighted average shares outstanding during the year	98,694	94,253	107,681
Vested restricted stock units	33	93	66
Assumed incremental shares from stock plans	4,134	4,488	4,883
Assumed incremental shares from convertible debt	—	14,926	23,090
Weighted average shares for diluted earnings per share calculation	102,861	113,760	135,720
Diluted net income per share	$ 2.16	$ 1.66	$ 1.30

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

Options to purchase 178,369 shares at $30.87 to $39.62 per share, 261,803 shares at $18.73 to $26.23 per share and 1,322,025 shares at $15.75 to $22.00 per share were excluded from the diluted earnings per share calculations for 2004, 2003 and 2002, respectively, because they were anti-dilutive. The calculation of diluted earnings per share assumes conversion of both the 5⅜% and 7% convertible subordinated notes for 2002 and the pro-rata periods such notes were outstanding in 2003.

3. Accounts receivable

The provisions for uncollectible accounts receivable, prior to offsetting recoveries, were $40,960, $35,700 and $32,069 in 2004, 2003 and 2002, respectively. The provisions before cash recoveries in 2004, 2003 and 2002 were approximately 1.8% of current net operating revenues, respectively. During 2002, continued improvements were made in the Company's billing and collection processes, and cash recoveries of $5,192 were realized during 2002 on accounts receivable reserved in 1999.

4. Other current assets

Other current assets were comprised of the following:

	December 31,	
	2004	2003
Supplier rebates and other non-trade receivables	$26,032	$29,745
Operating advances under administrative services agreements	12,387	10,416
Prepaid expenses and deposits	5,791	3,714
	$44,210	$43,875

Operating advances under administrative services agreements are generally unsecured.

5. Property and equipment

Property and equipment were comprised of the following:

	December 31,	
	2004	2003
Land	$ 750	$ 820
Buildings	4,868	5,494
Leasehold improvements	329,382	261,437
Equipment and information systems	405,022	361,365
New centers and capital asset projects in progress	19,541	19,349
	759,563	648,465
Less accumulated depreciation and amortization	(347,499)	(306,018)
	$ 412,064	$ 342,447

Depreciation and amortization expense on property and equipment was $75,152, $64,398 and $54,701 for 2004, 2003 and 2002, respectively.

Interest on debt incurred during the development of new centers and other capital asset projects is capitalized as a component of the asset cost based on the respective in-process capital asset balances. Interest capitalized was $1,078, $1,523 and $1,888 for 2004, 2003 and 2002, respectively.

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

6. Amortizable intangibles

Amortizable intangible assets were comprised of the following:

	December 31, 2004	December 31, 2003
Noncompetition and other agreements	$132,503	$112,407
Deferred debt issuance costs	14,005	9,851
	146,508	122,258
Less accumulated amortization	(85,789)	(72,287)
	$ 60,719	$ 49,971

Amortization expense from noncompetition and other agreements was $11,514, $10,289 and $9,964 for 2004, 2003 and 2002, respectively. Deferred debt issuance costs are amortized to debt expense as described in Note 11.

Scheduled amortization charges from intangible assets as of December 31, 2004 were as follows:

	Noncompetition and other agreements	Deferred debt issuance costs
2005	12,150	2,198
2006	10,683	1,916
2007	8,640	1,647
2008	5,678	1,613
2009	3,580	1,246
Thereafter	11,138	230

7. Investments in third-party dialysis businesses

Investments in third-party dialysis businesses and related advances were $3,332 and $3,095 at December 31, 2004 and 2003. During 2004, 2003 and 2002, the Company recognized income of $1,441, $1,596 and $1,791, respectively, relating to investments in non-consolidated minority-owned businesses under the equity method. These amounts are included as a reduction to minority interests deductions in the consolidated statement of income.

8. Goodwill

Changes in the book value of goodwill were as follows:

	Year ended December 31, 2004	Year ended December 31, 2003
Balance at January 1	$ 934,188	$864,786
Acquisitions	222,424	70,700
Divestitures	(386)	(1,298)
Balance at December 31	$1,156,226	$934,188

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

9. Other liabilities

Other accrued liabilities were comprised of the following:

	December 31, 2004	December 31, 2003
Payor deferrals and refunds	$ 94,566	$ 76,235
General insurance	21,847	12,056
Deferred revenue	13,089	8,727
Accrued interest	3,457	878
Accrued tax liabilities	6,549	6,229
Other	17,706	8,529
	$157,214	$112,654

10. Income taxes

Income tax expense consisted of the following:

	Year ended December 31, 2004	2003	2002
Current:			
Federal	$ 94,626	$ 75,817	$ 40,094
State	17,623	15,151	7,366
Deferred:			
Federal	23,508	17,966	50,012
State	3,873	3,541	12,456
	$139,630	$112,475	$109,928

Temporary differences, which gave rise to deferred tax assets and liabilities, were as follows:

	December 31, 2004	December 31, 2003
Asset impairment losses	$ 30,589	$ 35,817
Receivables, primarily allowance for doubtful accounts	15,614	16,882
Accrued liabilities	62,478	44,861
Other	11,389	11,683
Deferred tax assets	120,070	109,243
Valuation allowance	(35,380)	(37,200)
Net deferred tax assets	84,690	72,043
Intangible assets	(100,044)	(73,268)
Property and equipment	(52,116)	(42,614)
Other	(2,796)	(2,661)
Deferred tax liabilities	(154,956)	(118,543)
Net deferred tax liabilities	$ (70,266)	$ (46,500)

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

At December 31, 2004, the Company had state net operating loss carryforwards of approximately $12,000 that expire through 2023, and federal net operating loss carryforwards of $9,000 that expire through 2024. The Company has also incurred losses on certain operations that are not included in its consolidated tax return. The utilization of these losses may be limited in future years based on the profitability of these separate-return entities. In prior years, the Company recognized capital losses as a result of impairments and sales of assets for which the realization of a tax benefit is not certain. The valuation allowance against these deferred tax assets was $35,380 as of December 31, 2004. The valuation allowance decreased by $1,820 in 2004 due to changes in the expected utilization of capital losses and the expected utilization of operating losses of consolidated entities with separate tax filings. The valuation allowance decreased by $1,469 in 2003 due to changes in the expected utilization of operating losses of consolidated entities with separate tax filings.

The reconciliation between our effective tax rate and the U.S. federal income tax rate is as follows:

	Year ended December 31,		
	2004	2003	2002
Federal income tax rate	35.0%	35.0%	35.0%
State taxes, net of federal benefit	3.8	4.3	4.9
Changes in deferred tax valuation allowances	(0.3)	(0.4)	0.1
Other	0.1	0.1	1.0
Effective tax rate	38.6%	39.0%	41.0%

11. Long-term debt

Long-term debt was comprised of the following:

	December 31,	
	2004	2003
Senior secured credit facility:		
Term Loan A	$ 84,507	$ 118,310
Term Loan B	1,024,668	1,035,889
Term Loan C	249,375	
Acquisition obligations and other notes payable	8,863	5,416
Capital lease obligations	8,419	7,944
	1,375,832	1,167,559
Less current portion	(53,364)	(50,557)
	$1,322,468	$1,117,002

Scheduled maturities of long-term debt at December 31, 2004 were as follows:

2005	53,364
2006	56,192
2007	28,088
2008	15,268
2009	614,178
Thereafter	608,742

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

Term Loan A

The Term Loan A bears interest at LIBOR plus a margin of 2.00%, for an overall effective rate of 4.17% at December 31, 2004. Depending upon certain financial conditions the interest rate margin could range from 1.50% to 2.75%. The Term Loan A matures in March 2007 and requires principal payments of $33,800 in 2005, $40,100 in 2006 and $10,600 in 2007.

Term Loan B

The Term Loan B bears interest at LIBOR plus a margin of 2.00%, for an overall effective rate of 4.38% at December 31, 2004. The interest rate margin is subject to a potential increase of 0.50% if the Company does not achieve certain financial ratios. During the year the Company amended its existing credit facilities to modify certain restricted payment covenants, principally for acquisitions and share repurchases, and extended the maturity of the Term Loan B until June 30, 2010. The Term Loan B requires principal payments of $11,200 in years 2005 through 2008, $492,700 in 2009 and $487,000 in 2010.

Term Loan C

During the year the Company borrowed an additional $250,000 under a new Term Loan C. The Term Loan C bears interest at LIBOR plus a margin of 1.75%, for an overall effective rate of 4.16% at December 31, 2004. The Term Loan C matures on June 30, 2010 and requires principal payments of $2,500 in years 2005 through 2008, $120,300 in 2009 and $119,000 in 2010.

Revolving Line of Credit

As of December 31, 2004, the Company had $116,000 undrawn lines of credit available, of which $23,000 was committed for outstanding letters of credit.

Interest rate swaps

The Company is party to three currently effective interest rate swap agreements, two matched with Term Loan B outstanding debt and one matched with Term Loan C outstanding debt. Two of the swap agreements expire in 2008 and one expires in 2009. As of December 31, 2004 the aggregate notional amount of these swap agreements was $345,000 and the interest rates were economically modified to fixed rates ranging from 3.08% to 3.64% plus Term Loan margins ranging from 1.75% to 2.00%. This resulted in an overall effective rate of 5.27% on approximately 25% of the Company's outstanding debt as of December 31, 2004. Interest payments are due quarterly. Under these swap agreements, the Company incurred net cash obligations of $5,256 and $341 in 2004 and 2003 which are included in debt expense. The fair value of these swaps was an asset of $2,400, resulting in additional comprehensive income during the year of $2,404, or $3,941 before tax.

As a result of these swap agreements, the Company's overall credit facility effective weighted average interest rate was 4.60% based upon the current margins in effect ranging from 1.75% to 2.00% as of December 31, 2004.

In December 2004, the Company separately entered into two forward interest rate swap agreements that will have the economic effect of modifying the LIBOR-based interest rate to a fixed rate of 3.875% effective July 1, 2005. The total amortizing notional amount of these two swaps is $800,000, both of which expire in January 2010 and require quarterly interest payments beginning in October 2005. As of December 31, 2004, the aggregate notional amount of these swaps was $800,000 and their fair value was an asset of $400, resulting in additional comprehensive income during the year of $250, net of tax.

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

Debt expense

Debt expense consisted of interest expense of $50,324, $63,705 and $68,420 and amortization and write-off of deferred financing costs of $2,088, $3,123 and $3,216 for 2004, 2003 and 2002, respectively. The interest expense amounts exclude capitalized interest.

2003 transactions

In the third quarter of 2003, the Company completed a call for redemption of all of its outstanding $125,000 5⅝% Convertible Subordinated Notes due 2006. Holders of the 5⅝% Notes had the option to convert their Notes into shares of DaVita common stock at a price of $17.08 per share or receive cash of 1.0169 times the principal amount of the 5⅝% Notes, plus accrued interest. In July 2003, the Company issued 7,302,528 shares of common stock from treasury stock for the conversion of $124,700 of the 5⅝% Notes, and redeemed the balance for cash. The Company also entered into an amended credit agreement in order to, among other things, lower its overall interest rate. The Company also borrowed an additional $200,000 under the replacement Term Loan B, which amounted to $1,042,000. In November 2003, the Company entered into a second amended and restated credit agreement in order to again lower the interest rate on the Term Loan B and to modify certain covenants.

In the second half of 2003, the Company completed two calls for redemption of all of its outstanding $345,000 7% Convertible Subordinated Notes due 2009. Holders of the 7% Notes had the option to convert their Notes into shares of DaVita common stock at a price of $21.87 per share or receive cash of 1.042 times the principal amount of the 7% Notes, plus accrued interest. The Notes were redeemed for $359,000 in cash and 24,045 shares of common stock.

In 2003, the excess consideration paid over the book value to redeem the Convertible Subordinated Notes and the write-off of deferred financing costs and financing fees associated with amending our bank credit agreement resulted in refinancing charges of $26,501.

12. Leases

The majority of the Company's facilities are leased under non-cancelable operating leases. Most lease agreements cover periods from five to ten years and contain renewal options of five to ten years at the fair rental value at the time of renewal or at rates subject to periodic consumer price index increases. Capital leases are carried for certain equipment.

Future minimum lease payments under non-cancelable operating leases and capital leases are as follows:

	Operating leases	Capital leases
2005	$ 73,537	$ 1,703
2006	69,109	1,717
2007	62,944	3,201
2008	55,863	980
2009	46,466	741
Thereafter	189,103	2,937
	$497,022	11,279
Less portion representing interest		(2,860)
Total capital lease obligation, including current portion		$ 8,419

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

Rental expense under all operating leases for 2004, 2003 and 2002 was $80,310, $71,432 and $61,008, respectively. The net book value of property and equipment under capital lease was $7,711 and $7,811 at December 31, 2004 and 2003, respectively. Capital lease obligations are included in long-term debt (see Note 11).

13. Shareholders' equity

In the second quarter of 2004, the Board of Directors approved a three-for-two stock split of the Company's common stock in the form of a stock dividend payable on June 15, 2004 to stockholders of record on June 1, 2004. All stockholders entitled to fractional shares received a proportional cash payment. The Company's stock began trading on a post-split basis on June 16, 2004. All share and per-share data for all periods presented have been adjusted to retroactively reflect the effects of the stock split.

During 2003, the Company repurchased a total of 5,162,850 shares of common stock for $107,162 or an average of $20.76 per share, pursuant to announced Board authorizations. During 2004, the Company repurchased a total of 3,350,100 shares of common stock for an average cost of $28.82 per share. On November 2, 2004, the Company's Board of Directors authorized the Company to repurchase up to an additional $200,000 of its common stock in the open market or in privately negotiated transactions. The total outstanding Board authorizations for share repurchases were approximately $249,000 as of December 31, 2004.

Stock-based compensation plans

The Company's stock-based compensation plans are described below.

2002 Plan. On April 11, 2002, the Company's shareholders approved the DaVita Inc. 2002 Equity Compensation Plan. This plan provides for grants of stock awards to employees, directors and other individuals providing services to the Company, except that incentive stock options may only be awarded to employees. The plan requires that stock option grants be issued with exercise prices not less than the market price of the stock on the date of grant and with a maximum award term of five years. Stock options granted under this plan are generally non-qualified awards that vest over four years from the date of grant. Shares available under the 2002 Plan are replenished by shares repurchased by the Company from the cash proceeds and related tax benefits from award exercises under the 2002 and predecessor plans.

On May 21, 2003, the shareholders approved an amendment to reduce shares authorized to the 2002 Plan by 2,491,500 and to authorize plan awards in the form of restricted stock, restricted stock units, stock issuances ("full share awards"), stock appreciation rights and other equity-based awards. Full share awards reduce total shares available under the plan at a rate of 2.75:1. At December 31, 2004, there were 3,689,246 awards outstanding and 13,787,025 shares available for future grants under the 2002 Plan, including 3,104,517 shares under the 2002 Plan replenishment provision.

Predecessor plans. Upon shareholder approval of the 2002 Plan, the following predecessor plans were terminated, except with respect to options then outstanding: the 1994 Equity Compensation Plan, the 1995 Equity Compensation Plan, the 1997 Equity Compensation Plan, and the 1999 Equity Compensation Plan. Shares available for future grants under these predecessor plans were transferred to the 2002 Plan upon its approval, and cancelled predecessor plan options become available for new awards under the 2002 Plan. Options granted under these plans were generally issued with exercise prices equal to the market price of the stock on the date of grant, vested over four years from the date of grant, and bore maximum terms of five to 10 years. The RTC plan, a special purpose option plan related to the RTC merger, was terminated in 1999. At December 31, 2004 there were 3,703,861 stock options outstanding under these terminated plans.

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

1999 Plan. The 1999 Non-Executive Officer and Non-Director Equity Compensation Plan provides for grants of stock options to employees and other individuals providing services, other than executive officers and members of the Board of Directors. There are 9,000,000 common shares reserved for issuance under this plan, and options granted under this plan generally vest over four years from the date of grant. Grants are generally issued with exercise prices equal to the market price of the stock on the date of grant and maximum terms of five years. At December 31, 2004 there were 3,339,028 options outstanding and 67,337 shares available for future grants under this plan.

A combined summary of the status of these stock-based compensation plans is as follows:

	Year ended December 31,					
	2004		2003		2002	
	Awards	Weighted average exercise price	Awards	Weighted average exercise price	Awards	Weighted average exercise price
Outstanding at beginning of year	13,778,004	$10.97	14,837,962	$ 9.08	16,921,095	$ 6.24
Granted	2,794,416	28.10	3,013,876	13.53	4,154,250	15.55
Exercised	(4,950,399)	8.62	(3,490,812)	5.31	(5,131,425)	5.55
Cancelled	(889,886)	12.51	(583,022)	9.94	(1,105,958)	6.39
Outstanding at end of year	10,732,135	$16.38	13,778,004	$10.97	14,837,962	$ 9.08
Awards exercisable at year end	3,914,200		5,159,031		5,477,553	
Weighted-average fair value of awards granted during the year		$10.53		$ 5.01		$ 5.33

Awards granted in 2004 and 2003 include 165,766 and 130,127 full share awards, respectively.

The following table summarizes information about stock plan awards outstanding at December 31, 2004:

Range of exercise prices	Awards Outstanding	Weighted average remaining contractual life	Weighted average exercise price	Awards exercisable	Weighted average exercise price
$ 0.00–$ 5.00	1,693,394	2.9	$ 3.36	1,418,627	$ 4.01
$ 5.01–$10.00	204,855	4.0	6.13	204,855	6.13
$10.01–$15.00	3,025,662	2.7	13.09	943,839	12.80
$15.01–$20.00	3,089,532	2.3	15.78	1,239,587	15.84
$20.01–$25.00	93,417	3.7	21.25	75,417	21.43
$25.01–$30.00	993,525	4.6	28.15	1,875	26.23
$30.01–$35.00	1,546,750	4.4	30.57	30,000	30.07
$35.01–$40.00	85,000	5.0	38.58	0	0
	10,732,135	3.1	$16.38	3,914,200	$10.53

Deferred stock unit arrangements. The Company made awards of restricted stock units to members of the Board of Directors and certain key executive officers in 2003 and 2002. These awards vest over one to four years and are settled in stock as they vest or at a later date at the election of the recipient. Awards of 83,884 and 137,211 shares, with grant-date fair values of $1,152 and $2,159, were made in 2003 and 2002, respectively. Share issuances under these arrangements were 156,384, 49,107 and none during 2004, 2003 and 2002, respectively, and awards of 170,922 shares were outstanding as of December 31, 2004.

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

Compensation expense, associated with the above stock-based compensation plans and arrangements, of $1,885, $1,695 and $1,246 was recognized in 2004, 2003 and 2002, respectively.

Employee stock purchase plan. The Employee Stock Purchase Plan entitles qualifying employees to purchase up to $25 of the Company's common stock during each calendar year. The amounts used to purchase stock are accumulated through payroll withholdings or through optional lump sum payments made in advance of the first day of the purchase right period. The plan allows employees to purchase stock for the lesser of 100% of the fair market value on the first day of the purchase right period or 85% of the fair market value on the last day of the purchase right period. Purchase right periods begin on January 1 or July 1, and end on December 31. Payroll withholdings and lump-sum payments related to the plan, included in accrued compensation and benefits, were $1,795, $968 and $882 at December 31, 2004, 2003 and 2002. Subsequent to December 31, 2004, 2003 and 2002, 64,169, 56,079 and 62,457 shares, respectively, were issued to satisfy obligations under the plan.

The fair value of the employees' purchase rights was estimated as of the beginning dates of the purchase right periods using the Black-Scholes model with the following assumptions for grants on July 1, 2004, January 1, 2004, July 1, 2003, January 1, 2003, July 1, 2002, and January 1, 2002, respectively: dividend yield of 0.0% for all periods and expected volatility of 38% for 2004 periods and 40% for prior periods; risk-free interest rates of 3.0%, 2.6%, 1.1%, 1.1%, 3.6%, 4.0%. Using these assumptions, the weighted-average fair value of purchase rights granted were $7.97, $8.01, $4.79, $5.13, $1.69 and $2.45, respectively.

Shareholder rights plan. The Company's Board of Directors approved a shareholder rights plan on November 14, 2002. This plan is designed to assure that DaVita's shareholders receive fair treatment in the event of any proposed takeover of DaVita.

Pursuant to this plan, the Board approved the declaration of a dividend distribution of one common stock purchase right for each outstanding share of its common stock payable on December 10, 2002 to holders of record of DaVita common stock on November 29, 2002. This rights distribution was not taxable to DaVita shareholders. As a result of the stock split that occurred during the second quarter of 2004, two-thirds of a right are now attached to each share of the Company's common stock. Two-thirds of a right will also attach to each newly issued or reissued share of common stock. These rights will become exercisable if a person or group acquires, or announces a tender offer for, 15% or more of DaVita's outstanding common stock. The triggering person's stock purchase rights will become void at that time and will not become exercisable.

Each right initially entitles its holder to purchase one share of common stock from the Company at a price of $125.00. If the rights become exercisable, and subject to adjustment for authorized shares available, each purchase right will then entitle its holder to purchase $125.00 of common stock at a price per share equal to 50% of the average daily closing price of the Company's common stock for the immediately preceding 30 consecutive trading days. If DaVita is acquired in a merger or other business combination transaction after the rights become exercisable, provisions will be made to allow the holder of each right to purchase $125.00 of common stock from the acquiring company at a price equal to 50% of the average daily closing price of that company's common stock for the immediately preceding 30 consecutive trading days.

The Board of Directors may elect to redeem the rights at $0.01 per purchase right at any time prior to, or exchange common stock for the rights at an exchange ratio of one share per right at any time after, a person or group acquires or announces a tender offer for 15% or more of DaVita's outstanding common stock. The exercise price, number of shares, redemption price or exchange ratio associated with each right may be adjusted as appropriate upon the occurrence of certain events, including any stock split, stock dividend or similar transaction. These purchase rights will expire no later than November 14, 2012.

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

14. Employee benefit plans

The Company has a savings plan for substantially all employees, which has been established pursuant to the provisions of Section 401(k) of the Internal Revenue Code, or IRC. The plan provides for employees to contribute a percentage of their base annual salaries on a tax-deferred basis not to exceed IRC limitations. The Company does not provide any matching contributions.

During 2000, the Company established the DaVita Inc. Profit Sharing Plan. Contributions to this defined contribution benefit plan are made at the discretion of the Company as determined and approved by the Board of Directors. All contributions are deposited into an irrevocable trust. The profit sharing award for each eligible participant is based upon the achievement of employee-specific and/or corporate financial and operating goals. During 2003 and 2002, the Company recognized plan contribution expense of $11,900 and $17,440, respectively. During 2004 the Company elected to discontinue funding the profit sharing trust and to distribute similar awards directly to the recipients, or at their discretion to their 401(k) accounts.

15. Contingencies

Health care provider revenues may be subject to adjustment as a result of (1) examination by government agencies or contractors, for which the resolution of any matters raised may take extended periods of time to finalize; (2) differing interpretations of government regulations by different fiscal intermediaries or regulatory authorities; (3) differing opinions regarding a patient's medical diagnosis or the medical necessity of services provided; (4) retroactive applications or interpretations of governmental requirements; and (5) claims for refunds from private payors.

United States Attorney's inquiries

On October 25, 2004, the Company received a subpoena from the United States Attorney's Office, or U.S. Attorney's Office, for the Eastern District of New York in Brooklyn. The subpoena covers the period from 1996 to present and requires the production of a wide range of documents relating to our operations, including our laboratory services. The subpoena also includes specific requests for documents relating to testing for parathyroid hormone levels, or PTH, and to products relating to vitamin D therapies. We believe that the subpoena has been issued in connection with a joint civil and criminal investigation. Other participants in the dialysis industry received a similar subpoena, including Fresenius Medical Group, Renal Care Group and Gambro Healthcare. To our knowledge, no proceedings have been initiated against us at this time. Compliance with the subpoena will require management attention and legal expense. We cannot predict whether legal proceedings will be initiated against us relating to this investigation or, if proceedings are initiated, the outcome of any such proceedings. In addition, criminal proceedings may be initiated against us in connection with this inquiry. If a court determines that there has been wrongdoing, the penalties under applicable statutes could be substantial.

In February 2001, the Civil Division of the U.S. Attorney's Office for the Eastern District of Pennsylvania in Philadelphia contacted the Company and requested its cooperation in a review of some historical practices, including billing and other operating procedures and financial relationships with physicians. The Company cooperated in this review and provided the requested records to the U.S. Attorney's Office. In May 2002, the Company received a subpoena from the U.S. Attorney's Office and the Philadelphia Office of the Office of Inspector General, or OIG. The subpoena required an update to the information the Company provided in its response to the February 2001 request, and also sought a wide range of documents relating to pharmaceutical and other ancillary services provided to patients, including laboratory and other diagnostic testing services, as well as

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

documents relating to the Company's financial relationships with physicians and pharmaceutical companies. The subpoena covers the period from May 1996 to May 2002. The Company has provided the documents requested and continues to cooperate with the United States Attorney's Office and the OIG in its investigation. If this review proceeds, the government could expand its areas of inquiry. If a court determines that there has been wrongdoing, the penalties under applicable statutes could be substantial.

Florida Laboratory

A third-party carrier review of Medicare reimbursement claims associated with the Company's Florida-based laboratory was initiated in 1998. Prior to the third quarter 2002, no Medicare payments had been received since May 1998. Following a favorable ruling by an administrative law judge in June 2002 relating to review periods from January 1995 to March 1998, the carrier began releasing funds for lab services provided subsequent to May 2001. During the fourth quarter of 2002, the carrier also released funds for certain claims in review periods from April 1998 through May 2001. During the second half of 2002, the carrier paid the Company a total of $69,000. Approximately $10,000 of these collections related to 2002 lab services provided through June 2002, and the balance of $59,000 related to prior years' services. In addition to the prior-period claims, the carrier also began processing billings for current period services in the third quarter of 2002, at which time the Company began recognizing current period Medicare lab revenue. In late 2003 the carrier's hearing officer rendered partially favorable decisions relating to review periods from April 1998 to May 2000, which resulted in the recognition of additional recoveries of $24,000. The Company filed requests for appeal for the remaining unsettled claims for these review periods. In the third quarter of 2004, an administrative law judge rendered a favorable decision regarding the majority of these unsettled claims, which resulted in the recognition of $8,300 in additional recoveries. Less than $4,000 in disputed Medicare lab billings currently remain unresolved.

Other

In addition to the foregoing, DaVita is subject to claims and suits in the ordinary course of business. Management believes that the ultimate resolution of these additional pending proceedings, whether the underlying claims are covered by insurance or not, will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

16. Concentrations

Approximately 60% of the Company's total dialysis revenues in 2004, 2003 and 2002 are from government-based programs, principally Medicare and Medicaid. Accounts receivable from Medicare and Medicaid were approximately $150,000 as of December 31, 2004. No other single payor accounted for more than 5% of total accounts receivable.

A significant physician-prescribed pharmaceutical administered during dialysis, EPO, is provided by a sole supplier and accounted for approximately one fourth of net operating revenues. Although the Company currently receives discounted prices for EPO, the supplier has unilateral pricing discretion and in the future the Company may not be able to achieve the same cost levels historically obtained.

17. Other commitments

The Company has obligations to purchase the third-party interests in several of its joint ventures. These obligations are in the form of put options, exercisable at the third-party owners' discretion. If the put options are exercised, the Company would be required to purchase the minority owners' interests at either the appraised fair market value or a predetermined multiple of cash flow or earnings which approximates fair value. As of December 31, 2004, the Company's potential obligations under these put options totaled approximately $103,000

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

of which approximately $56,000 was exercisable within one year. Additionally, the Company has certain other potential commitments to provide operating capital to several minority-owned centers and to third-party centers that the Company operates under administrative service agreements of approximately $15,000.

The Company is obligated under mandatorily redeemable instruments in connection with certain consolidated partnerships. Future distributions may be required for the minority partner's interests in limited-life entities which dissolve after terms of ten to fifty years. As of December 31, 2004, such distributions would be valued below the related minority interests balances in the consolidated financial statements.

Other than operating leases, disclosed in Note 12, and the letters of credit and the interest rate swap agreements, disclosed in Note 11, the Company has no off balance sheet financing arrangements as of December 31, 2004.

18. Acquisitions and divestitures

Acquisitions

Acquisition amounts were as follows:

	Year ended December 31,		
	2004	2003	2002
Cash paid, net of cash acquired	$266,265	$ 99,645	$19,977
Deferred purchase payments and acquisition obligations	429	5,146	100
Aggregate purchase cost	$266,694	$104,791	$20,077
Number of chronic dialysis centers acquired	51	27	11
Aggregate purchase costs of acquired dialysis centers	$262,458	$ 84,102	$20,077

The assets and liabilities of the acquired operations were recorded at their estimated fair market values at the dates of acquisition and have been included in the Company's financial statements and operating results from their designated effective acquisition dates. The nearest month-end has been designated as the effective date for recording acquisitions that close during the month because partial month accounting cutoffs were not made and partial month results associated with these acquisitions would not have had a material impact on consolidated operating results. Settlements with tax authorities relating to pre-acquisition income tax liabilities may result in an adjustment to goodwill attributable to related acquisitions.

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

The initial allocations of purchase cost for acquired businesses are recorded at fair values based upon the best available information and are finalized when identified pre-acquisition contingencies have been resolved and information needed to complete the allocation has been received. Adjustments to purchase accounting for prior acquisitions, and payments for acquisitions in process, have been included in the periods recognized. Final allocations have not differed materially from the initial allocations. Aggregate purchase cost allocations were as follows:

	Year ended December 31,		
	2004	2003	2002
Tangible assets, principally leasehold improvements and equipment	$ 42,155	$ 26,678	$ 3,360
Amortizable intangible assets	19,471	7,273	1,975
Goodwill	222,424	70,700	15,260
Liabilities assumed	(17,356)	(1,777)	(518)
Minority interests extinguished		1,917	
Aggregate purchase cost	$266,694	$104,791	$20,077

Amortizable intangible assets acquired during 2004, 2003 and 2002 had weighted-average estimated useful lives of nine, ten and ten years, respectively. The total amount of goodwill deductible for tax purposes associated with 2004 acquisitions is approximately $120,000.

The following summary, prepared on a pro forma basis, combines the results of operations as if the acquisitions in 2004 and 2003 had been consummated as of the beginning of 2003, after including the impact of certain adjustments such as amortization of intangibles, interest expense on acquisition financing and income tax effects.

	Year ended December 31,	
	2004	2003
	(unaudited)	
Net revenues	$2,388,321	$2,207,868
Net income	224,875	190,076
Pro forma basic net income per share	2.28	2.01
Pro forma diluted net income per share	2.19	1.79

These unaudited pro forma results are not necessarily indicative of what actually would have occurred if the acquisitions had been completed as of the beginning of both of the periods presented. In addition, they are not intended to be a projection of future results and do not reflect the effects of integration costs or operating synergies.

Acquisition of Gambro Healthcare, Inc.

On December 6, 2004, the Company entered into an agreement to acquire the common stock of Gambro Healthcare, Inc. or Gambro Healthcare, one of the largest dialysis service providers in the United States. The purchase price of approximately $3.05 billion reflects (i) a cash purchase price of approximately $1.7 billion, which we refer to as the cash purchase price, and (ii) the assumption of Gambro Healthcare indebtedness, which indebtedness was approximately $1.3 billion on December 31, 2004 (nearly all of which is intercompany indebtedness). The Company will be required to repay the Gambro Healthcare intercompany indebtedness,

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

including accrued interest, simultaneously with the closing of the Gambro Healthcare acquisition. Under the stock purchase agreement, the cash purchase price increases from December 6, 2004 to the acquisition closing date by 4% per annum for the first 90 days after signing and 8% per annum thereafter. The amount of Gambro Healthcare intercompany debt will increase by the amount of any additional cash contributed by Gambro Inc. to Gambro Healthcare after December 6, 2004 and will be reduced by operating cash flow applied to the intercompany debt after December 6, 2004. The intercompany debt bears interest at a rate of 1% above the twelve-month LIBOR. In connection with the Gambro Healthcare acquisition the Company is assessing financing alternatives, which could include closing on some or all of the financing in advance of the closing of the acquisition. The Company will also enter into a ten-year product supply agreement with Gambro Renal Products Inc., a subsidiary of Gambro AB, pursuant to which the Company will purchase from Gambro Renal Products specified percentages of its requirements for hemodialysis products, supplies and equipment at fixed prices. The stock purchase agreement contains a number of conditions which must be satisfied or waived prior to the closing of the acquisition. These conditions include, among others, receipt of regulatory approvals, including antitrust clearance.

On February 18, 2005, the Company received a request from the Federal Trade Commission for additional information in connection with the pending acquisition of Gambro Healthcare. This request extends the waiting period imposed by the Hart-Scott-Rodino Act until thirty days after the Company and Gambro Healthcare have substantially complied with the request, unless that period is voluntarily extended by the parties or is terminated sooner by the FTC.

Divestitures

The Company divested of certain center operations for cash during 2004 and 2003 which amounted to $1,223 and $2,275, respectively. The Company divested of substantially all of its dialysis operations outside the continental United States during 2000 and completed the sale of its remaining non-continental centers during the second quarter of 2002. Revenues of the non-continental operations were $6,159 for 2002, and the related pre-tax earnings were $1,383.

19. Fair values of financial instruments

Financial instruments consist primarily of cash, accounts receivable, notes receivable, accounts payable, accrued compensation and benefits, other accrued liabilities, interest rate swap agreements and debt. The balances of the non-debt financial instruments as presented in the financial statements at December 31, 2004 approximate their fair values due to the short-term nature of their settlements. Borrowings under credit facilities, of which $1,358,550 was outstanding as of December 31, 2004, reflect fair value as they are subject to fees and adjustable rates competitively determined in the marketplace. The fair value of the interest rate swaps were an asset of approximately $2,800 as of December 31, 2004.

DAVITA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in thousands, except per share data)

20. Supplemental cash flow information

The table below provides supplemental cash flow information:

	Year ended December 31,		
	2004	2003	2002
Cash paid:			
Income taxes	$95,943	$ 53,074	$30,217
Interest	48,822	73,278	69,114
Non-cash investing and financing activities:			
Fixed assets acquired under capital lease obligations	1,295	2,283	2,356
Contributions to consolidated partnerships	9,167	2,645	2,154
Deferred financing cost write-offs			73
Conversion of debt to equity		125,254	
Liabilities assumed in conjunction with common stock acquisition	13,991	357	

21. Transactions with related parties

Until March 2002, Peter Grauer, a member of the Company's Board of Directors since 1994, was a managing director of Credit Suisse First Boston, or CSFB. In 2002, CSFB assisted the Company in connection with the issuance of public debt and securing other financing. Fees for these transactions were approximately $6,000. Mr. Grauer is no longer affiliated with CSFB.

22. Selected quarterly financial data (unaudited)

	2004				2003			
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Net operating revenues	$616,003	$595,531	$551,630	$535,431	$553,446	$513,282	$489,883	$459,807
Operating income	105,171	111,652	96,467	96,833	121,190	95,211	82,800	79,334
Income before income taxes	90,447	98,921	85,876	86,640	100,498	62,910	64,195	60,663
Net income	56,602	60,386	52,401	52,865	62,798	38,060	38,520	36,413
Basic net income per common share	$ 0.58	$ 0.61	$ 0.53	$ 0.54	$ 0.65	$ 0.39	$ 0.42	$ 0.40
Diluted net income per common share	$ 0.56	$ 0.59	$ 0.50	$ 0.51	$ 0.61	$ 0.36	$ 0.37	$ 0.35

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, we have duly caused this Annual Report on Form 10-K to be signed on our behalf by the undersigned, thereunto duly authorized, in the City of El Segundo, State of California, on February 28, 2005.

DAVITA INC.

By: /s/ KENT J. THIRY
Kent J. Thiry
Chairman and Chief Executive Officer

KNOW ALL MEN BY THESE PRESENT, that each person whose signature appears below constitutes and appoints Kent J. Thiry, Denise K. Fletcher, Gary Beil, and Joseph Schohl, and each of them his or her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ KENT J. THIRY Kent J. Thiry	Chairman and Chief Executive Officer (Principal Executive Officer)	February 28, 2005
/s/ DENISE K. FLETCHER Denise K. Fletcher	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 28, 2005
/s/ GARY W. BEIL Gary W. Beil	Vice President and Controller (Principal Accounting Officer)	February 28, 2005
/s/ NANCY-ANN DEPARLE Nancy-Ann DeParle	Director	February 28, 2005
/s/ RICHARD B. FONTAINE Richard B. Fontaine	Director	February 28, 2005
/s/ PETER T. GRAUER Peter T. Grauer	Director	February 28, 2005
/s/ MICHELE J. HOOPER Michele J. Hooper	Director	February 28, 2005
/s/ C. RAYMOND LARKIN, JR. C. Raymond Larkin, Jr.	Director	February 28, 2005
/s/ JOHN M. NEHRA John M. Nehra	Director	February 28, 2005
/s/ WILLIAM L. ROPER William L. Roper	Director	February 28, 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
DaVita Inc.:

Under date of February 25, 2005, we reported on the consolidated balance sheets of DaVita Inc. and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2004, which are included in the Form 10-K. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule in the Form 10-K. The financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

Seattle, Washington
February 25, 2005

DAVITA INC.

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at beginning of year	Amounts charged to income	Amounts written off	Balance at end of year
		(in thousands)		
Allowance for uncollectible accounts:				
Year ended December 31, 2002	$52,475	$32,069	$35,617	$48,927
Year ended December 31, 2003	48,927	35,700	32,073	52,554
Year ended December 31, 2004	52,554	40,960	35,348	58,166

EXHIBIT INDEX

Exhibit Number	Description
2.1	Stock Purchase Agreement dated as of December 6, 2004, among Gambro AB, Gambro, Inc. and DaVita Inc. (16)
3.1	Amended and Restated Certificate of Incorporation of Total Renal Care Holdings, Inc., or TRCH, dated December 4, 1995.(1)
3.2	Certificate of Amendment of Certificate of Incorporation of TRCH, dated February 26, 1998.(2)
3.3	Certificate of Amendment of Certificate of Incorporation of DaVita Inc. (formerly Total Renal Care Holdings, Inc.), dated October 5, 2000.(6)
3.4	Amended and Restated Bylaws of DaVita Inc. (formerly Total Renal Care Holdings, Inc.) dated June 3, 2004.(13)
4.1	Rights Agreement, dated as of November 14, 2002, between DaVita Inc. and the Bank of New York, as Rights Agent. (3)
10.1	Employment Agreement, dated as of October 18, 1999, by and between TRCH and Kent J. Thiry.(4)*
10.2	Amendment to Mr. Thiry's Employment Agreement, dated May 20, 2000.(5)*
10.3	Second Amendment to Mr. Thiry's Employment Agreement, dated November 28, 2000.(6)*
10.4	Employment Agreement, dated as of November 29, 1999, by and between TRCH and Gary W. Beil.(6)*
10.5	Employment Agreement, dated as of July 19, 2000, by and between TRCH and Charles J. McAllister.(6)*
10.6	Employment Agreement, dated as of June 15, 2000, by and between DaVita Inc. and Joseph Mello.(8)*
10.7	Employment Agreement, dated as of October 15, 2002, by and between DaVita Inc. and Lori S. Richardson-Pellicioni.(7)*
10.8	Employment Agreement effective as of June 7, 2004, by and between DaVita Inc. and Tom Kelly.(13)*
10.9	Amended and Restated Employment Agreement, effective as of February 28, 2005, by and between DaVita Inc. and Denise K. Fletcher. ✓*
10.10	Employment Agreement, effective as of August 16, 2004, by and between DaVita Inc. and Tom Usilton.(14)*
10.11	Employment Agreement, effective as of November 18, 2004, by and between DaVita Inc. and Joseph Schohl. ✓*
10.12	Second Amended and Restated 1994 Equity Compensation Plan.(9) *
10.13	First Amended and Restated 1995 Equity Compensation Plan.(9)*
10.14	First Amended and Restated 1997 Equity Compensation Plan.(9)*
10.15	First Amended and Restated Special Purpose Option Plan.(9)*
10.16	1999 Equity Compensation Plan.(10)*
10.17	Amended and Restated 1999 Equity Compensation Plan.(11)*
10.18	First Amended and Restated Total Renal Care Holdings, Inc. 1999 Non-Executive Officer and Non-Director Equity Compensation Plan.(7)
10.19	2002 Equity Compensation Plan.(12)*
10.20	Form of Stock Option Agreement for stock options grants to employees under the Company's 2002 Equity Compensation Plan.(14)*

Exhibit Number	Description
10.21	Form of Restricted Stock Unit Agreement for restricted stock unit grants to employees under the Company's 2002 Equity Compensation Plan.(14)*
10.22	Security Agreement, dated as of April 26, 2002, made by and among DaVita Inc. and the subsidiaries of DaVita Inc. named therein to Credit Suisse First Boston, Cayman Islands Branch, as the Collateral Agent for the lenders party to the Credit Agreement.(17)
10.23	Subsidiary Guarantee, dated as of April 26, 2002, made by the subsidiaries of DaVita Inc. named therein in favor of the lenders party to the Credit Agreement.(17)
10.24	Third Amended and Restated Credit Agreement, dated as of July, 30, 2004, among DaVita Inc., the lenders party thereto, Credit Suisse First Boston, Cayman Islands Branch as Joint Book Manager, and Administrative Agent and Sole Book Manager for the Term Loan B and the Term Loan C, Banc of America Securities LLC as Joint Book Manager and Bank of America N.A., as Syndication Agent.(13)
10.25	Security Agreement Supplement, dated July 30, 2004, made by the subsidiaries of DaVita Inc. named therein in favor of the lenders party.(13)
10.26	Guarantee Supplement, dated July 30, 2004, made by the subsidiaries of DaVita Inc., named therein in favor of the lenders party to the Third Amended and Restated Credit Agreement.(13)
10.27	Amended and Restated Agreement dated December 2, 2004, between Amgen USA Inc. and DaVita Inc.✓**
10.28	Form of Indemnity Agreement. ✓*
10.29	Executive Incentive Plan.(11)*
10.30	Post-Retirement Deferred Compensation Arrangement. ✓*
10.31	Memorandum relating to bonus structure for Charles J. McAllister. ✓*
10.32	Director Compensation Philosophy and Plan.✓*
12.1	Computation of Ratios of Earnings to Fixed Charges. ✓
14.1	DaVita Inc. Corporate Governance Code of Ethics.(15)
21.1	List of our subsidiaries. ✓
23.1	Consent of KPMG LLP.✓
24.1	Powers of Attorney with respect to DaVita. (Included on Page II-1)
31.1	Certification of the Chief Executive Officer, dated February 28, 2005, pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.✓
31.2	Certification of the Chief Financial Officer, dated February 28, 2005, pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.✓
32.1	Certification of the Chief Executive Officer, dated February 28, 2005, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.✓
32.2	Certification of the Chief Financial Officer, dated February 28, 2005, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.✓

✓ Included in this filing.

* Management contract or executive compensation plan or arrangement.

** Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the SEC.

(1) Filed on March 18, 1996 as an exhibit to the Company's Transitional Report on Form 10-K for the transition period from June 1, 1995 to December 31, 1995.

(2) Filed on March 31, 1998 as an exhibit to the Company's Form 10-K for the year ended December 31, 1997.

(3) Filed on November 19, 2002 as an exhibit to the Company's Form 8-K reporting the adoption of the Rights Agreement.

(4) Filed on November 15, 1999 as an exhibit to the Company's Form 10-Q for the quarter ended September 30, 1999.

(5) Filed on August 14, 2000 as an exhibit to the Company's Form 10-Q for the quarter ended June 30, 2000.
(6) Filed on March 20, 2001 as an exhibit to the Company's Form 10-K for the year ended December 31, 2000.
(7) Filed on February 2, 2003 as an exhibit to the Company's Form 10-K for the year ended December 31, 2002.
(8) Filed on August 15, 2001 as an exhibit to the Company's Form 10-Q for the quarter ended June 30, 2001.
(9) Filed on March 29, 2000 as an exhibit to the Company's Form 10-K for the year ended December 31, 1999.
(10) Filed on February 18, 2000 as an exhibit to the Company's Registration Statement on Form S-8 (Registration Statement No. 333-30736).
(11) Filed on April 27, 2001 as an exhibit to the Definitive Proxy Statement for the Company's 2001 Annual Meeting of Stockholders.
(12) Filed on March 14, 2002 as an exhibit to the Definitive Proxy Statement for the Company's 2002 Annual Meeting of Stockholders.
(13) Filed on August 5, 2004 as an exhibit to the Company's Form 10-Q for the quarter ended June 30, 2004.
(14) Filed on November 8, 2004 as an exhibit to the Company's Form 10-Q for the quarter ended September 30, 2004.
(15) Filed on March 27, 2004 as an exhibit to the Company's Form 10-K for the year ended December 31, 2003.
(16) Filed on December 8, 2004 as an exhibit to the Company's Form 8-K.
(17) Filed on May 14, 2002 as an exhibit to the Company's Form 10-Q for the quarter ending March 31, 2002.

Exhibit 10.9

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (this "Agreement") amends and restates the Employment Agreement originally entered into effective September 13, 2004 (the "Effective Date"), by and between DaVita Inc. ("Employer") and Denise Fletcher ("Employee").

In consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Employment and Duties. Employer hereby employs Employee to serve initially as a Senior Vice President, Special Advisor to the Chief Executive Officer, and then, on November 10, 2004, as Chief Financial Officer. Employee accepts such employment on the terms and conditions set forth in this Agreement. Employee shall perform the duties of Senior Vice President and then as Chief Financial Officer of the Employer and shall perform such other duties as may be assigned from time to time by the Chief Executive Officer. Employee shall work out of Employer's El Segundo corporate office. Employee agrees to devote substantially all of her time, energy, and ability to the business of Employer on a full-time basis and shall not engage in any other business activities during the term of this Agreement, provided however, Employee may continue to serve on the three Board of Directors for the other for-profit companies that she is currently serving on and may pursue normal charitable activities so long as such activities do not require a substantial amount of time and do not interfere with her ability to perform her duties. If, as a result of serving on these three Boards, Employee's performance were to suffer, Employee and Employer's Chief Executive Officer will discuss whether Employee should resign from one Board. If Employee is no longer serving on any of these three Boards, Employee will be able to serve on another Board of Directors so long as she has received permission from the Employer's Chief Executive Officer and the Employer's Board of Directors. Employee shall at all times observe and abide by the Employer's policies and procedures as in effect from time to time.

Section 2. Compensation. In consideration of the services to be performed by Employee hereunder, Employee shall receive the following compensation and benefits:

2.1 Base Salary. Employer shall pay Employee a base salary of $350,000 per annum, less standard withholdings and authorized deductions. Employee shall be paid consistent with Employer's payroll schedule. The Base Salary will be reviewed each year during Employer's annual review. Employer, in its sole discretion, may increase the Base Salary as a result of any such review.

2.2 Benefits. Employee and/or her family, as the case may be, shall be eligible for participation in and shall receive all benefits under Employer's health and welfare benefit plans (including, without limitation, medical, prescription, dental, disability, and life insurance) under the same terms and conditions applicable to most executives at similar levels of compensation and responsibility.

2.3 Performance Bonus.

(a) Employee shall be eligible to receive a discretionary performance bonus (the "Bonus") between zero and $350,000, payable in a manner consistent with Employer's practices and procedures. The amount of the Bonus, if any, will be decided by the Chief Executive Officer and/or the Board of Directors or the Compensation Committee of the Board in his/its sole discretion.

(b) Employee must be employed by Employer (or an affiliate) on the date any Bonus is paid to be eligible to receive such Bonus and, if Employee is not employed by Employer (or an affiliate) on the date any Bonus is paid for any reason whatsoever, Employee shall not be entitled to receive such Bonus, provided, however, that in the event Employee dies, Employee's estate shall be entitled to receive, at such time as bonuses for such year are otherwise paid by Employer, a pro rated Bonus for that portion of any year prior to Employee's death (or for the whole year and a portion of a year if such termination occurs after December 31 of any year and prior to the date on which the Bonus for such year is paid) regardless of whether Employee is employed on the date such Bonus is paid.

2.4 Relocation Costs. Employer shall reimburse Employee for relocation costs. Relocation costs include the cost of packing and moving Employee's personal property, including her boat and her 3 cars, 60 days of lodging while house hunting, and all trips by Employee and/or her spouse to find a house. Relocation costs do

not include the costs for purchasing a house, including points, closing fees, and attorneys' fees (i.e., the cost of a real estate attorney or an attorney to review the contract). Employee has the right to move her personal property at once or move some now and some at a later date, and Employer will reimburse her for all of these costs so long as she moves her property within the first three (3) years of this Agreement.

2.5 Vacation. Employee shall have vacation, subject to the approval of the Chief Executive Officer.

2.6 Stock Options. Employee shall receive options to purchase 150,000 shares of Employer stock. Such options shall have a five-year term and vest 25% on the first anniversary date of the grant, 8.33% on the 20th month of the grant, and 8.33% every 4 months thereafter. The exercise price shall be the closing price as reported on the New York Stock Exchange on the start date of this Agreement. The options will be reflected in a separate Stock Option Agreement.

2.7 Signing Bonus. Employer will pay Employee a signing bonus of $35,000, less all standard withholdings and authorized deductions.

2.8 Travel. Employee may fly first class for business travel — this does not include travel by her spouse for house hunting.

2.9 Acceleration of Vesting. Upon a Change of Control, as that term is defined below, Employee's entire award of stock options shall vest immediately.

2.10 Indemnification. Employer agrees to indemnify Employee against and in respect of any and all claims, actions, or demands, in accordance with all applicable laws.

2.11 Reimbursement. Employer also agrees to reimburse Employee in accordance with Employer's reimbursement policies for travel and entertainment expenses, as well as other business-related expenses, incurred in the performance of her duties hereunder.

2.12 Changes to Benefit Plans. Employer reserves the right to modify, suspend, or discontinue any and all of its health and welfare benefit plans, practices, policies, and programs at any time without recourse by Employee so long as such action is taken generally with respect to all other similarly-situated peer executives and does not single out Employee.

Section 3. Provisions Relating to Termination of Employment.

3.1 Employment Is At-Will. Employee's employment with Employer is "at will" and is terminable by Employer or by Employee at any time and for any reason or no reason, subject to the notice requirements set forth below.

3.2 Termination for Material Cause. Employer may terminate Employee's employment for Material Cause (as defined below) upon at least thirty (30) days' advance written notice specifying in detail the cause for the termination and the intended termination date. Upon termination for Material Cause, Employee shall (i) be entitled to receive the Base Salary and benefits as set forth in Section 2.1 and Section 2.2, respectively, through the effective date of such termination and (ii) not be entitled to receive any other compensation, benefits, or payments of any kind, except as otherwise required by law or by the terms of any benefit or retirement plan or other arrangement that would, by its terms, apply.

3.3 Other Termination. Employer may terminate the employment of Employee for any reason or for no reason at any time upon at least thirty (30) days' advance written notice. If Employer terminates the employment of Employee for reasons other than for Material Cause or Disability, if Employee resigns pursuant to written notice given during the thirty (30) days following the closing of the acquisition of Gambro Healthcare, Inc. by the Company, or if Employee resigns pursuant to written notice given during the sixty (60) days following Constructive Discharge or a Good Cause Event (as those terms are defined below), Employee shall (i) be entitled to receive the Base Salary and benefits as set forth in Section 2.1 and Section 2.2, respectively, through the effective date of such termination or resignation, (ii) be entitled to receive her salary for the two-year period following the termination of her employment, (iii) be entitled to continue to receive during the one-year period following the effective date of such termination (the "Severance Period") the employee health insurance benefits set forth in Section 2.2; and (iv) not be entitled to receive any other

compensation, benefits, or payments of any kind, except as otherwise required by law or by the terms of any benefit or retirement plan or other arrangement that would, by its terms, apply. The foregoing notwithstanding, in the event Employee accepts employment (as an employee or as an independent contractor) with another employer during the Severance Period, (x) Employee shall immediately notify Employer of such employment and (y) Employer's obligation to continue to provide certain health insurance benefits pursuant to clause (iii) of the immediately preceding sentence shall terminate once Employee becomes eligible to participate in her new employer's health benefit plan. With respect to Employee's right to continue receiving health insurance, to the extent Employee can continue to receive such benefits under Employer's health insurance policies and programs in effect at the effective time of such termination through the exercise of her rights under COBRA, Employee shall elect to receive COBRA benefits, and Employer shall pay Employee's insurance premiums for COBRA coverage during this one-year period; provided, however, to the extent such benefits cannot be provided under such policies and programs, Employer shall purchase for Employee reasonably equivalent health insurance benefits during the one-year period subject to the limitation set forth below and subject to the limitation set forth in Section 2.12. In addition, to the extent that Employee is receiving COBRA coverage, the Employer shall continue to pay for this COBRA insurance coverage beyond the end of the one-year period by using any savings that the Employer may gain as a result of Employee's delay in participating in its health care plan to pay for this COBRA coverage.

During the Severance Period, Employee agrees to make herself available to answer questions and to cooperate in the transition of her duties. In addition, Employee agrees to cooperate with Employer in the prosecution and/or defense of any claim, including making herself available for any interviews, appearing at depositions, and producing requested documents.

3.4. Voluntary Resignation. Employee may resign from Employer at any time upon at least ninety (90) days' advance written notice, or, in the case of a written notice given during the thirty (30) days following the closing of the acquisition of Gambro Healthcare, Inc. by the Company, upon at least thirty (30) days' advance written notice. If Employee resigns from Employer other than by reason of a Constructive Discharge, a Good Cause Event, a Change in Management, as those terms are defined below, or a resignation pursuant to notice given during the thirty (30) days following the closing of the acquisition of Gambro Healthcare, Inc. by the Company, Employee shall (i) be entitled to receive the Base Salary and benefits as set forth in Section 2.1 and Section 2.2, respectively, through the effective date of such termination and (ii) not be entitled to receive any other compensation, benefits, or payments of any kind, except as otherwise required by law or by the terms of any benefit or retirement plan or other arrangement that would, by its terms, apply. In the event Employee resigns from Employer at any time, Employer shall have the right to make such resignation effective as of any date before the expiration of the required notice period.

3.5 Disability. Upon thirty (30) days' advance notice (which notice may be given before the completion of the periods described herein), Employer may terminate Employee's employment for Disability (as defined below), provided that either (i) immediately upon the effective date of such termination, Employee shall be eligible to receive full disability benefits under the disability insurance, if any, provided to Employee by Employer or (ii) Employer shall continue to pay the Base Salary to Employee until the first to occur of (A) full disability benefits are received or (B) one (1) year from the effective date of such termination.

3.6 Definitions. For the purposes of this Agreement, the following terms shall have the meanings indicated:

(a) "Change of Control" shall mean (i) any transaction or series of transactions in which any person or group (within the meaning of Rule 13d-5 under the Exchange Act and Sections 13(d) and 14(d) of the Exchange Act) becomes the direct or indirect "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), by way of a stock issuance, tender offer, merger, consolidation, other business combination or otherwise, of greater than 40% of the total voting power (on a fully diluted basis as if all convertible securities had been converted and all warrants and options had been exercised) entitled to vote in the election of directors of Employer (including any transaction in which Employer becomes a wholly-owned or majority-owned subsidiary of another corporation), (ii) any merger or consolidation or reorganization in which Employer does not survive, (iii) any merger or consolidation in which Employer survives, but the shares of Employer's Common Stock outstanding immediately prior to such merger or consolidation represent 40% or less of the voting power of Employer after such merger or

consolidation, and (iv) any transaction in which more than 40% of Employer's assets are sold. However, despite the occurrence of any of the above-described events, a Change of Control will not have occurred if Kent Thiry remains the Chief Executive Officer of Employer for at least one (1) year after the Change of Control or becomes the Chief Executive Officer of the surviving company with which Employer merged or consolidated and remains in that position for at least one (1) year after the Change of Control.

(b) "Constructive Discharge" shall mean the occurrence of any of the following events after the date of a Change of Control without Employee's express written consent: (i) the scope of Employee's authority, duties and responsibilities are materially diminished or are not (A) in the same general level of seniority, (B) in the same corporate and reporting capacity (and standing in the same relationship to the ultimate parent entity, e.g., reporting to the Chief Executive Officer of a subsidiary will not be deemed to constitute the same corporate and reporting capacity as reporting to the Chief Executive Officer of the ultimate parent company), or (C) of the same general nature as Employee's authority, duties, and responsibilities with Employer immediately before such Change of Control; (ii) the failure by Employer to provide Employee with office accommodations and assistance substantially equivalent to the accommodations and assistance provided to Employee immediately before such Change of Control; (iii) the principal office to which Employee is required to report is changed to a location that is more than twenty (20) miles from the principal office to which Employee is required to report immediately before such Change of Control; or (iv) a reduction by Employer in Employee's Base Salary, bonus arrangement, or other material benefits as in effect on the date of such Change of Control.

(c) "Disability" shall mean the inability, for a period of six (6) months, to adequately perform Employee's regular duties, with or without reasonable accommodation, due to a physical or mental illness, condition, or disability.

(d) "Material Cause" shall mean any of the following: (i) conviction of a felony; (ii) the adjudication by a court of competent jurisdiction that Employee has committed any act of fraud or dishonesty resulting or intended to result directly or indirectly in personal enrichment at the expense of Employer; (iii) repeated failure or refusal by Employee to follow policies or directives reasonably established by the Chief Executive Officer of Employer or her designee that goes uncorrected for a period of thirty (30) consecutive days after written notice has been provided to Employee; (iv) a material breach of this Agreement that goes uncorrected for a period of thirty (30) consecutive days after written notice has been provided to Employee; (v) an act of unlawful discrimination, including sexual harassment; (vi) a violation of the duty of loyalty or of any fiduciary duty; or (vii) exclusion or notice of exclusion of Employee from participating in any federal health care program. Before the Employer may discharge Employee for an act of unlawful discrimination, including sexual harassment, or a violation of the duty of loyalty or of any fiduciary duty, Employee shall have a right to make a presentation before the Board of Directors to present her reasons why she should not be discharged for Material Cause.

(e) "Good Cause Event" shall mean the occurrence of any of the following events without Employee's express written consent: (i) Employer materially diminishes the scope of Employee's authority, duties and responsibilities and her duties and responsibilities are not (A) in the same general level of seniority or (B) of the same general nature; (ii) Employer ceases to provide Employee with appropriate office accommodations and assistance (i.e., office accommodations and assistance substantially similar to what other similar-level executives receive); (iii) Employer relocates the principal office to which Employee is required to report to a location that is more than twenty (20) miles from the principal office to which Employee was required to report; or (iv) Employer reduces Employee's Base Salary, bonus arrangement, or other material benefits (unless the change in benefit plans is taken generally with respect to all other similarly-situated peer executives and does not single out Employee).

3.7 Notice of Termination. Any purported termination of Employee's employment by Employer or by Employee shall be communicated by a written Notice of Termination to the other party hereto in accordance with Section 7 hereof. A "Notice of Termination" shall mean a written notice that indicates the specific termination provision in this Agreement relied upon and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Employee's employment.

3.8 Effect of Termination. Upon termination, this Agreement shall be of no further force and effect and neither party shall have any further right or obligation hereunder; provided, however, that no termination shall modify or affect the rights and obligations of the parties that have accrued prior to termination; and provided further, that the rights and obligations of the parties under Section 3, Section 4, Section 5, Section 6, and Section 7 shall survive termination of this Agreement.

Section 4. Change in Management

4.1 Material Change in Responsibilities. If, during the first two years of Employee's employment, Kent Thiry is no longer the Chief Executive Officer and Employee has resigned within sixty (60) days of a Constructive Discharge or Good Cause Event, the vesting schedule of her stock option grant shall be accelerated by one (1) year. This shall be in addition to any benefits that Employee may be entitled to pursuant to Section 2.9 and Section 3.3 of this Agreement.

4.2 No Material Change in Responsibilities. If, during the first two years of Employee's employment, Kent Thiry is no longer the Chief Executive Officer, but there has not been a Constructive Discharge or Good Cause Event, Employee may still resign within 60 days from the occurrence of this event. If Employee does resign, Employer shall continue to pay Employee her Base Salary for the one-year period following her resignation.

Section 5. Certain Covenants of Executive.

5.1 Confidential Information.

(a) Employee acknowledges and agrees that: (i) in the course of her employment by Employer, it will or may be necessary for Employee to create, use, or have access to (A) technical, business, or customer information, materials, or data relating to Employer's present or planned business that has not been released to the public with Employer's authorization, including, but not limited to, confidential information, materials, or proprietary data belonging to Employer or relating to Employer's affairs (collectively, "Confidential Information") and (B) information and materials that concern Employer's business that come into Employer's possession by reason of employment with Employer (collectively, "Business Related Information"); (ii) all Confidential Information and Business Related Information are the property of Employer; (iii) the use, misappropriation, or disclosure of any Confidential Information or Business Related Information would constitute a breach of trust and could cause serious and irreparable injury to Employer; and (iv) it is essential to the protection of Employer's goodwill and maintenance of Employer's competitive position that all Confidential Information and Business Related Information be kept confidential and that Employee not disclose any Confidential Information or Business Related Information to others or use Confidential Information or Business Related Information to Employee's own advantage or the advantage of others.

(b) In recognition of the acknowledgment contained in Section 5.1(a) above, Employee agrees that, during the term of this Agreement and thereafter until the Confidential Information and/or Business Related Information becomes publicly available (other than through a breach by Employee), Employee shall: (i) hold and safeguard all Confidential Information and Business Related Information in trust for Employer, its successors, and assigns; (ii) not appropriate or disclose or make available to anyone for use outside of Employer's organization at any time, either during employment with Employer or subsequent to the termination of employment with Employer for any reason, any Confidential Information and Business Related Information, whether or not developed by Employee, except as required in the performance of Employee's duties to Employer; (iii) keep in strictest confidence any Confidential Information or Business Related Information; and (iv) not disclose or divulge, or allow to be disclosed or divulged by any person within Employee's control, to any person, firm, or corporation, or use directly or indirectly, for Employee's own benefit or the benefit of others, any Confidential Information or Business Related Information.

(c) Employee agrees that all lists, materials, records, books, data, plans, files, reports, correspondence, and other documents ("Employer material") used or prepared by, or made available to, Employee shall be and remain property of Employer. Upon termination of employment, Employee shall

immediately return all Employer material to Employer, and Employee shall not make or retain any copies or extracts thereof. Employee, however, shall not be required to return to Employer her personal Rolodex, materials from her work on the Board of Directors of other for-profit companies, and one copy of her calendar so long as Employee protects any Confidential Information and/or Business Related Information contained therein.

5.2. Competition. Employee agrees that during the term of this Agreement and for a period of two (2) years after the termination of her employment with Employer for any reason, she shall not: (i) be an officer, director, consultant, partner, owner, stockholder, employee, creditor, agent, trustee, independent contractor, or advisor on a paid or unpaid basis of any individual, partnership, limited liability company, corporation, independent practice association, management services organization, or any other entity (collectively, "Person") that either is in the business of or, directly or indirectly, derives any economic benefit from providing, arranging, offering, managing, or subcontracting dialysis services or renal care services; or (ii) directly or indirectly, own, manage, control, operate, invest in, acquire an interest in, or otherwise engage in, act for, or act on behalf of any Person (other than Employer and its subsidiaries and affiliates) engaged in any activity in the United States or in those countries outside the United States in which Employer or any of its subsidiaries or affiliates had conducted any business during Employee's employment hereunder, where such activity is similar to or competitive with the activities carried on by Employer or any of its subsidiaries or affiliates. As used herein, the term "dialysis services" or "renal care services" includes, but shall not be limited to, all dialysis services and nephrology-related services provided by Employer at any time during the period of Employee's employment, including, but not limited to, hemodialysis, acute dialysis, apheresis services, peritoneal dialysis of any type, staff-assisted hemodialysis, home hemodialysis, dialysis-related laboratory and pharmacy services, access-related services, Method II dialysis supplies and services, nephrology practice management, vascular access services, disease management services, pre-dialysis education, ckd services, or renal physician/center network management, and any other services or treatment for persons diagnosed as having end stage renal disease ("ESRD") or pre-end stage renal disease, including any dialysis services provided in an acute hospital. The term "ESRD" shall have the same meaning as set forth in Title 42, Code of Federal Regulations 405.2101 *et seq.* or any successor thereto. Employee acknowledges that the nature of Employer's activities is such that competitive activities could be conducted effectively regardless of the geographic distance between Employer's place of business and the place of any competitive business. Notwithstanding anything herein to the contrary, such activities shall not include the ownership of 1% or less of the issued and outstanding stock, which is purchased in the open market, of a public company that conducts business that is similar to or competitive with the business carried on by the Employer or any of its subsidiaries or affiliates.

Notwithstanding anything set forth herein, Employee shall not be prohibited from being employed (as an employee or independent contractor) by any Person that provides dialysis services and/or renal care services, as those terms as defined above, so long as such services constitutes no more than 5% of that Person's total business operations and so long as Employee has no authority over, responsibility for, oversight of, connection with, or involvement in anyway in the dialysis services and/or renal care services provided by that Person.

Employee acknowledges and agrees that the geographical limitations and duration of this covenant not to compete is reasonable. In particular, Employee agrees that her position is national in scope and that she will have an impact on every location where Employer currently conducts and will conduct business. Therefore, Employee acknowledges and agrees that, like her position, this covenant cannot be limited to any particular geographic region.

5.3 Solicitation of Employees. Employee promises and agrees that she will not, for a period of two (2) years after the termination of her employment, directly or indirectly, solicit any of Employer's employees to work for any business, individual, partnership, firm, corporation, or other entity that is then in competition with Employer's business or any subsidiary or affiliate of Employer. Employee also agrees that during her employment and for a period of two (2) years after the termination of her employment, directly or indirectly, that she will not hire any of Employer's employees to work (as an employee or an independent contractor) for any business, individual, partnership, firm, corporation, or other entity that is then in competition with Employer's business or any subsidiary or affiliate of Employer. In addition, Employee agrees that during her employment and for a period of two (2) years after the termination of her employment, directly or indirectly,

that she will not take any action that may reasonably result in any of Employer's employees going to work (as an employee or an independent contractor) for any business, individual, partnership, firm, corporation, or other entity that is then in competition with Employer's business or any subsidiary or affiliate of Employer.

5.4 Other solicitation. Employee promises and agrees that during the term of this Agreement and for a period of two (2) years after the termination of her employment for any reason, she shall not, directly or indirectly: (i) induce any patient or customer of Employer, either individually or collectively, to patronize any competing dialysis facility; (ii) request or advise any patient, customer, or supplier of Employer to withdraw, curtail, or cancel such person's business with Employer; (iii) enter into any contract the purpose or result of which would benefit Employee if any patient or customer of Employer were to withdraw, curtail, or cancel such person's business with Employer; (iv) solicit, induce, or encourage any physician (or former physician) affiliated with Employer or induce or encourage any other person under contract with Employer to curtail or terminated such person's affiliation or contractual relationship with Employer; (v) disclose to any Person the names or addresses of any patient or customer of Employer or of any physician (or former physician) affiliated with Employer; or (vi) disparage Employer or any of its agents, employees, or affiliated physicians in any fashion.

5.5 Enforcement. In the event that any part of this Section 5 shall be held unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions had not been a part hereof. In the event that the area, period of restriction, activity, or subject established in accordance with this Section 5 shall be deemed to exceed the maximum area, period of restriction, activity, or subject that a court of competent jurisdiction deems enforceable, such area, period of restriction, activity, or subject shall, for the purpose of Section 5, be reduced to the extent necessary to render them enforceable.

5.6 Equitable Relief. Employee agrees that any violation by Employee of any covenant in Section 5 will or would cause Employer to suffer irreparable injury, the exact amount of which will be difficult to ascertain. For that reason, Employee agrees that Employer shall be entitled, as a matter of right, to a temporary, preliminary, and/or permanent injunction and/or other injunctive relief, ex parte or otherwise, from any court of competent jurisdiction, restraining any further violations by Employee. Such injunctive relief shall be in addition to and in no way limit any and all other remedies Employer shall have in law and equity for the enforcement of such covenants and provisions. Employee consents and stipulates to the entry of such injunctive relief in such a court prohibiting her from any further violation of the covenants and provisions of Section 5.

Section 6. Excess Parachute Payment. In the event that any payment or benefit received or to be received by Employee in connection with a Change of Control, whether payable pursuant to the terms of this Agreement or any other plan, arrangement or agreement by Employer, any predecessor or successor to Employer or any corporation affiliated (within the meaning of Section 1504 of the Internal Revenue Code of 1986, as amended (the "Code")) with Employer or which becomes so affiliated pursuant to the transactions resulting in a Change of Control (collectively all such payments are hereinafter referred to as the "Total Payments"), is deemed to be an "Excess Parachute Payment" (in whole or in part) to Employee within the meaning of Section 280G of the Code, as in effect at such time, no change shall be made to the Total Payments to be made in connection with the Change of Control, except that, in addition to all other amounts to be paid to Employee by Employer, Employer shall, within thirty (30) days of the date on which any Excess Parachute Payment is made, pay to Employee, in addition to any other payment, coverage or benefit due and owing, an amount determined by (i) multiplying the rate of excise tax then imposed by Code Section 4999 by the amount of the "Excess Parachute Payment" received by Employee (determined without regard to any payments made to Employee pursuant to this Section 6) and (ii) dividing the product so obtained by the amount obtained by subtracting (A) the aggregate local, state and Federal income and employment tax rates (including the value of the loss of itemized deductions under Section 68 of the Internal Revenue Code and the phase-out of the personal exemption) applicable to the receipt by Employee of the "Excess Parachute Payment" (taking into account the deductibility for Federal income tax purposes of the payment of state and local income taxes thereon) from (B) the amount obtained by subtracting from 1.00 the rate of excise tax then imposed by Section 4999 of the Code. It is Employer's intention that Employee's net after-tax position be identical to that which would have obtained had Sections 280G and 4999 not been part of the Code. For purposes of implementing this Section 6, (i) no portion, if any, of the Total Payments, the receipt or enjoyment of which Employee shall have effectively waived in

writing prior to the date of payment of the Total Payments, shall be taken into account, and (ii) the value of any non-cash benefit or any deferred cash payment included in the Total Payments shall be determined by Employer's independent auditors in accordance with the principles of Sections 280G of the Code.

The calculation of the excess parachute payment is as follows: X = Y / (1 - (A + B + C)), where X is the total dollar amount of the Tax Gross-Up Payment, Y is the total Excise Tax imposed with respect to such Change in Control Benefit, A is the Excise Tax rate in effect at the time, B is the highest combined marginal federal income and applicable state income tax rate in effect, after taking into account the deductibility of state income taxes against federal income taxes to the extent allowable, for the calendar year in which the Tax Gross-Up Payment is made, and C is the combined federal and state employment tax rate in effect for the calendar year in which the Tax Gross-Up Payment is made.

Subject to the provisions of this Section 6, all determinations required to be made under this Section 6, including (i) whether and when a Tax Gross-Up Payment is required, (ii) the amount of such Tax Gross-Up Payment, and (iii) the assumptions to be utilized in arriving at such determination, shall be made by independent auditors of Employer (the "Accounting Firm"). The Accounting Firm shall provide detailed supporting calculations both to Employer and Employee within 15 business days of the receipt of notice from Employee that there has been an Excess Parachute Payment, or such earlier time as is requested by Employer. All fees and expenses of the Accounting Firm shall be borne solely by Employer.

Any Tax Gross-Up Payment, as determined pursuant to this Section 6, shall be paid by Employer to Employee within thirty (30) days of the receipt of the Accounting Firm's determination. If the Accounting Firm determines that no Excise Tax is payable by Employee, it shall furnish Employee with a written opinion that failure to report the Excise Tax on Employee's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon Employer and Employee.

In the event that a Tax Gross-Up Payment was not made but should have been made ("Underpayment"), and Employee thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment (including, without limitation, penalties and interest), and Employer shall promptly pay the Underpayment to or for the benefit of Employee.

In the event that a Tax Gross-Up Payment was made but should not have been made ("Overpayment"), the Accounting Firm shall determine the amount of the Overpayment and Employee shall promptly pay the Overpayment to Employer.

Employee shall notify Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by Employer of the Tax Gross-Up Payment ("Gross-Up Notice"). Employee shall give Employer the Gross-Up Notice as soon as practicable, but no later than 10 business days after Employee is informed in writing of such claim and shall apprise Employer of the nature of such claim and the date on which such claim is requested to be paid. Employee shall not pay such claim prior to the expiration of the 30-day period following the date of the Gross-Up Notice (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If Employer notifies Employee in writing prior to the expiration of such period that it desires to contest such claim, Employee shall:

(i) give Employer any information reasonably requested by Employer relating to such claim,

(ii) take such action in connection with contesting such claim as Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by Employer,

(iii) cooperate with Employer in good faith in order effectively to contest such claim, and

(iv) permit Employer to participate in any proceedings relating to such claim.

Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed on Employee as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 6, Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner. In the event that Employer elects to contest the tax, Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as Employer shall determine. If Employer directs Employee to pay such claim and sue for a refund, Employer shall advance the amount of such payment to Employee, on an interest–free basis, for any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance. In the event that the Internal Revenue Service requests an extension of the statute of limitations relating to payment of taxes for the taxable year of Employee with respect to which such contested amount is claimed to be due, such an extension may, at the election of Employee, be limited solely to such contested amount. Furthermore, Employer's control of the contest shall be limited to issues with respect to which a Tax Gross-Up Payment would be payable hereunder, and Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

If, after the receipt by Employee of an amount advanced by Employer pursuant to Section 6, Employee becomes entitled to receive any refund with respect to such claim, Employee shall promptly pay Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Employee of an amount advanced by Employer pursuant to this Section 6, a determination is made that Employee shall not be entitled to any refund with respect to such claim and Employer does not notify Employee in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Tax Gross-Up Payment to be paid.

Notwithstanding anything to the contrary in this Section 6, in the event that a Tax Gross-Up Payment is made before the date on which Employee actually owes the Excise Tax, then the amount of the payment shall be discounted using the applicable interest rate, i.e., the prime rate, used to compute the present value of an amount at the same time in the future for purposes of computing the Excise Tax.

Section 7. Miscellaneous.

7.1 Entire Agreement; Amendment. This Agreement and the separate Stock Option Agreement represents the entire understanding of the parties hereto with respect to the employment of Employee and supersedes all prior agreements with respect thereto. This Agreement may not be altered or amended except in writing executed by both parties hereto.

7.2 Assignment; Benefit. This Agreement is personal and may not be assigned by Employee. This Agreement may be assigned by Employer and shall inure to the benefit of and be binding upon the successors and assigns of Employer.

7.3 Applicable Law. This Agreement shall be governed by the laws of the State of California, without regard to the principles of conflicts of laws.

7.4 Notice. Notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to Employer at its principal office and to Employee at Employee's principal residence as shown in Employer's personnel records, provided that all notices to Employer shall be directed to the attention of the Chief Executive Officer with a copy to the General Counsel of Employer, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

7.5 Construction. Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any party on the basis that the party was the drafter. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

7.6 Execution. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Photographic or facsimile copies of such signed counterparts may be used in lieu of the originals for any purpose.

7.7 Legal Counsel. Employee and Employer recognize that this is a legally binding contract and acknowledge and agree that they have had the opportunity to consult with legal counsel of their choice.

7.8 Waiver. The waiver by any party of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any other or subsequent breach of such or any provision.

7.9 Invalidity of Provision. In the event that any provision of this Agreement is determined to be illegal, invalid, or void for any reason, the remaining provisions hereof shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Employment Agreement effective as of February 28, 2005.

DAVITA INC.

By /s/ Kent J. Thiry

Kent J. Thiry
Chief Executive Officer and
Chairman of the Board

EMPLOYEE

/s/ Denise Fletcher

Denise Fletcher

Exhibit 10.11

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is entered into effective November 18, 2004 (the "Effective Date"), by and between DaVita Inc. ("Employer") and Joseph Schohl ("Employee").

In consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Employment and Duties. Employer hereby employs Employee to serve as Vice President, General Counsel and Secretary. Employee accepts such employment on the terms and conditions set forth in this Agreement. Employee shall perform the duties of Vice President, General Counsel and Secretary and shall perform such other duties as may be assigned from time to time by the Chief Executive Officer. Employee shall work out of Employer's El Segundo corporate office. Employee agrees to devote substantially all of his time, energy, and ability to the business of Employer on a full-time basis and shall not engage in any other business activities during the term of this Agreement, provided however, Employee may pursue normal charitable activities so long as such activities do not require a substantial amount of time and do not interfere with his ability to perform his duties. Employee shall at all times observe and abide by the Employer's policies and procedures as in effect from time to time.

Section 2. Compensation. In consideration of the services to be performed by Employee hereunder, Employee shall receive the following compensation and benefits:

2.1 Base Salary. Employer shall pay Employee a base salary of $240,000 per annum, less standard withholdings and authorized deductions. Employee shall be paid consistent with Employer's payroll schedule. The Base Salary will be reviewed each year during Employer's annual review. Employer, in its sole discretion, may increase the Base Salary as a result of any such review.

2.2 Benefits. Employee and/or his family, as the case may be, shall be eligible for participation in and shall receive all benefits under Employer's health and welfare benefit plans (including, without limitation, medical, prescription, dental, disability, and life insurance) under the same terms and conditions applicable to most executives at similar levels of compensation and responsibility.

2.3 Performance Bonus.

(a) Employee shall be eligible to receive a discretionary performance bonus (the "Bonus") between zero and $120,000, payable in a manner consistent with Employer's practices and procedures. The amount of the Bonus, if any, will be decided by the Chief Executive Officer and/or the Board of Directors or the Compensation Committee of the Board in his/its sole discretion.

(b) Employee must be employed by Employer (or an affiliate) on the date any Bonus is paid to be eligible to receive such Bonus and, if Employee is not employed by Employer (or an affiliate) on the date any Bonus is paid for any reason whatsoever, Employee shall not be entitled to receive such Bonus.

2.4 Vacation. Employee shall have vacation, subject to the approval of the Chief Executive Officer.

2.5 Stock Options. Employee shall receive options to purchase 60,000 shares of Employer stock. Such options shall have a five-year term and vest 25% on the first anniversary date of the grant, 8.33% on the 20th month of the grant, and 8.33% every 4 months thereafter. The exercise price shall be the closing price as reported on the New York Stock Exchange on the start date of this Agreement. The options will be reflected in a separate Stock Option Agreement.

2.6 Restricted Stock Options. On the Effective Date, Employee will receive an additional 6,250 shares of Employer's restricted stock units, entitling Employee to the same number of full shares of DaVita common stock, subject to the following vesting conditions: such restricted stock units shall vest over a five-year period, one-third vesting on the third, fourth, and fifth anniversary date of Employee's date of hire. The terms of the restricted stock units will be reflected in a separate Restricted Stock Units Agreement.

2.7 Signing Bonus. Employer will pay either Employee or Employee's former employer, on behalf of Employee, the following: less all standard withholdings and authorized deductions.

(a) Employer shall pay Employee a sign-on bonus of $41,428.00, less standard withholdings and authorized deductions;

(b) Employer shall pay to Employee or to Employee's former employer up to 100% of the amount that Employee is required to reimburse his former employer for providing relocation expenses, if any. If Employer pays Employee directly, Employer shall reduce the amount paid by standard deductions and authorized withholdings. Employee shall exercise his best efforts to negotiate a reduction in the amount he may be required to reimburse his former employer and in no event shall such amount exceed $43,500.

(c) Employer shall pay to Employer or to Employee's former employer up to 80% of the amount that Employee is required to reimburse his former employer for tuition expenses, if any. If Employer pays Employee directly, Employer shall reduce the amount paid by standard deductions and authorized withholdings. Employee shall exercise his best efforts to negotiate a reduction in the amount he may be required to pay his former employer and in no event shall such amount exceed $15,175.

2.8 Acceleration of Vesting. Upon a Change of Control, as that term is defined below, Employee's entire award of stock options shall vest immediately.

2.9 Indemnification. Employer agrees to indemnify Employee against and in respect of any and all claims, actions, or demands, in accordance with all applicable laws.

2.10 Reimbursement. Employer also agrees to reimburse Employee in accordance with Employer's reimbursement policies for travel and entertainment expenses, as well as other business-related expenses, incurred in the performance of his duties hereunder.

2.11 Changes to Benefit Plans. Employer reserves the right to modify, suspend, or discontinue any and all of its health and welfare benefit plans, practices, policies, and programs at any time without recourse by Employee so long as such action is taken generally with respect to all other similarly-situated peer executives and does not single out Employee.

Section 3. Provisions Relating to Termination of Employment.

3.1 Employment Is At-Will. Employee's employment with Employer is "at will" and is terminable by Employer or by Employee at any time and for any reason or no reason, subject to the notice requirements set forth below.

3.2 Termination for Material Cause. Employer may terminate Employee's employment for Material Cause (as defined below) upon at least thirty (30) days' advance written notice specifying in detail the cause for the termination and the intended termination date. Upon termination for Material Cause, Employee shall (i) be entitled to receive the Base Salary and benefits as set forth in Section 2.1 and Section 2.2, respectively, through the effective date of such termination and (ii) not be entitled to receive any other compensation, benefits, or payments of any kind, except as otherwise required by law or by the terms of any benefit or retirement plan or other arrangement that would, by its terms, apply.

3.3 Other Termination. Employer may terminate the employment of Employee for any reason or for no reason at any time upon at least thirty (30) days' advance written notice. If Employer terminates the employment of Employee for reasons other than for Material Cause or Disability, or if Employee resigns within sixty (60) days following Constructive Discharge or a Good Cause Event (as those terms are defined below), Employee shall (i) be entitled to receive the Base Salary and benefits as set forth in Section 2.1 and Section 2.2, respectively, through the effective date of such termination or resignation, (ii) be entitled to receive his salary for the two-year period following the termination of his employment, (iii) be entitled to continue to receive during the one-year period following the effective date of such termination (the "Severance Period") the employee health insurance benefits set forth in Section 2.2 at the same cost to him as he paid prior to his termination; and (iv) not be entitled to receive any other compensation, benefits, or payments of any kind, except as otherwise required by law or by the terms of any benefit or retirement plan or other arrangement that would, by its terms, apply. The foregoing notwithstanding, in the event Employee accepts employment (as an employee or as an independent contractor) with another employer during the Severance Period,

(x) Employee shall immediately notify Employer of such employment and (y) Employer's obligation to continue to provide certain health insurance benefits pursuant to clause (iii) of the immediately preceding sentence shall terminate once Employee becomes eligible to participate in his new employer's health benefit plan. In addition, once Employee accepts employment (as an employee or as an independent contractor), Employer may reduce its obligation under clause (ii) herein dollar-for-dollar for every dollar Employee earns in base salary or other compensation during the Severance Period from his new employer. Employee agrees to use reasonable efforts to find employment after the first year of the Severance Period and that if he fails to use reasonable efforts, the Company's obligations under clause (ii) herein may be terminated by Employer in its sole discretion.

With respect to Employee's right to continue receiving health insurance, to the extent Employee can continue to receive such benefits under Employer's health insurance policies and programs in effect at the effective time of such termination through the exercise of his rights under COBRA, Employee shall elect to receive COBRA benefits, and Employer shall pay Employee's insurance premiums for COBRA coverage during this one-year period; provided, however, to the extent such benefits cannot be provided under such policies and programs, Employer shall purchase for Employee reasonably equivalent health insurance benefits during the one-year period subject to the limitation set forth below and subject to the limitation set forth in Section 2.11.

During the Severance Period, Employee agrees to make himself available to answer questions and to cooperate in the transition of his duties. In addition, Employee agrees to cooperate with Employer in the prosecution and/or defense of any claim, including making himself available for any interviews, appearing at depositions, and producing requested documents.

3.4. Voluntary Resignation. Employee may resign from Employer at any time upon at least ninety (90) days' advance written notice. If Employee resigns from Employer for any reason other than a Constructive Discharge or a Good Cause Event, as those terms are defined below, Employee shall (i) be entitled to receive the Base Salary and benefits as set forth in Section 2.1 and Section 2.2, respectively, through the effective date of such termination and (ii) not be entitled to receive any other compensation, benefits, or payments of any kind, except as otherwise required by law or by the terms of any benefit or retirement plan or other arrangement that would, by its terms, apply. In the event Employee resigns from Employer at any time, Employer shall have the right to make such resignation effective as of any date before the expiration of the required notice period.

3.5 Disability. Upon thirty (30) days' advance notice (which notice may be given before the completion of the periods described herein), Employer may terminate Employee's employment for Disability (as defined below), provided that either (i) immediately upon the effective date of such termination, Employee shall be eligible to receive full disability benefits under the disability insurance, if any, provided to Employee by Employer or (ii) Employer shall continue to pay the Base Salary to Employee until the first to occur of (A) full disability benefits are received or (B) one (1) year from the effective date of such termination.

3.6 Definitions. For the purposes of this Agreement, the following terms shall have the meanings indicated:

(a) "Change of Control" shall mean (i) any transaction or series of transactions in which any person or group (within the meaning of Rule 13d-5 under the Exchange Act and Sections 13(d) and 14(d) of the Exchange Act) becomes the direct or indirect "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), by way of a stock issuance, tender offer, merger, consolidation, other business combination or otherwise, of greater than 40% of the total voting power (on a fully diluted basis as if all convertible securities had been converted and all warrants and options had been exercised) entitled to vote in the election of directors of Employer (including any transaction in which Employer becomes a wholly-owned or majority-owned subsidiary of another corporation), (ii) any merger or consolidation or reorganization in which Employer does not survive, (iii) any merger or consolidation in which Employer survives, but the shares of Employer's Common Stock outstanding immediately prior to such merger or consolidation represent 40% or less of the voting power of Employer after such merger or consolidation, and (iv) any transaction in which more than 40% of Employer's assets are sold. However, despite the occurrence of any of the above-described events, a Change of Control will not have occurred if Kent Thiry remains the Chief Executive Officer or Executive Chair of Employer for at least one (1) year after the Change of Control or becomes the Chief Executive Officer or Executive Chair of the surviving company with which Employer merged or consolidated and remains in that position for at least one (1) year after the Change of Control.

(b) "Constructive Discharge" shall mean the occurrence of any of the following events after the date of a Change of Control without Employee's express written consent: (i) the scope of Employee's authority, duties and responsibilities are materially diminished or are not (A) in the same general level of seniority, (B) in the same corporate and reporting capacity (and standing in the same relationship to the ultimate parent entity, e.g., reporting the Chief Executive Officer of a subsidiary will not be deemed to constitute the same corporate and reporting capacity as reporting to the Chief Executive Officer of the ultimate parent company), or (C) of the same general nature as Employee's authority, duties, and responsibilities with Employer immediately before such Change of Control; (ii) the failure by Employer to provide Employee with office accommodations and assistance substantially equivalent to the accommodations and assistance provided to Employee immediately before such Change of Control; (iii) the principal office to which Employee is required to report is changed to a location that is more than twenty (20) miles from the principal office to which Employee is required to report immediately before such Change of Control; or (iv) a reduction by Employer in Employee's Base Salary, bonus arrangement, or other material benefits as in effect on the date of such Change of Control.

(c) "Disability" shall mean the inability, for a period of six (6) months, to adequately perform Employee's regular duties, with or without reasonable accommodation, due to a physical or mental illness, condition, or disability.

(d) "Material Cause" shall mean any of the following: (i) conviction of a felony; (ii) the adjudication by a court of competent jurisdiction that Employee has committed

any act of fraud or dishonesty resulting or intended to result directly or indirectly in personal enrichment at the expense of Employer; (iii) repeated failure or refusal by Employee to follow policies or directives reasonably established by the Chief Executive Officer of Employer or his designee that goes uncorrected for a period of thirty (30) consecutive days after written notice has been provided to Employee; (iv) a material breach of this Agreement that goes uncorrected for a period of thirty (30) consecutive days after written notice has been provided to Employee; (v) an act of unlawful discrimination, including sexual harassment; (vi) a violation of the duty of loyalty or of any fiduciary duty; or (vii) exclusion or notice of exclusion of Employee from participating in any federal health care program.

(e) "Good Cause Event" shall mean the occurrence of any of the following events without Employee's express written consent: (i) Employer materially diminishes the scope of Employee's authority, duties and responsibilities and his duties and responsibilities are not (A) in the same general level of seniority or (B) of the same general nature; (ii) Employer ceases to provide Employee with appropriate office accommodations and assistance (i.e., office accommodations and assistance substantially similar to what other similar-level executives receive); (iii) Employers relocates the principal office to which Employee is required to report is changed to a location that is more than twenty (20) miles from the principal office to which Employee was required to report; or (iv) Employer reduces Employee's Base Salary, bonus arrangement, or other material benefits (unless the change in benefit plans is taken generally with respect to all similarly-situated peer executives and does not single out Employee).

3.7 Notice of Termination. Any purported termination of Employee's employment by Employer or by Employee shall be communicated by a written Notice of Termination to the other party hereto in accordance with Section 6 hereof. A "Notice of Termination" shall mean a written notice that indicates the specific termination provision in this Agreement relied upon and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Employee's employment.

3.8 Effect of Termination. Upon termination, this Agreement shall be of no further force and effect and neither party shall have any further right or obligation hereunder; provided, however, that no termination shall modify or affect the rights and obligations of the parties that have accrued prior to termination; and provided further, that the rights and obligations of the parties under Section 3, Section 4, Section 5, and Section 6 shall survive termination of this Agreement.

Section 4: Certain Covenants of Executive.

4.1 Confidential Information.

(a) Employee acknowledges and agrees that: (i) in the course of his employment by Employer, it will or may be necessary for Employee to create, use, or have access to (A) technical, business, or customer information, materials, or data relating to Employer's present or planned business that has not been released to the public with Employer's

authorization, including, but not limited to, confidential information, materials, or proprietary data belonging to Employer or relating to Employer's affairs (collectively, "Confidential Information") and (B) information and materials that concern Employer's business that come into Employer's possession by reason of employment with Employer (collectively, "Business Related Information"); (ii) all Confidential Information and Business Related Information are the property of Employer; (iii) the use, misappropriation, or disclosure of any Confidential Information or Business Related Information would constitute a breach of trust and could cause serious and irreparable injury to Employer; and (iv) it is essential to the protection of Employer's goodwill and maintenance of Employer's competitive position that all Confidential Information and Business Related Information be kept confidential and that Employee not disclose any Confidential Information or Business Related Information to others or use Confidential Information or Business Related Information to Employee's own advantage or the advantage of others.

(b) In recognition of the acknowledgment contained in Section 4.1(a) above, Employee agrees that, during the term of this Agreement and thereafter until the Confidential Information and/or Business Related Information becomes publicly available (other than through a breach by Employee), Employee shall: (i) hold and safeguard all Confidential Information and Business Related Information in trust for Employer, its successors, and assigns; (ii) not appropriate or disclose or make available to anyone for use outside of Employer's organization at any time, either during employment with Employer or subsequent to the termination of employment with Employer for any reason, any Confidential Information and Business Related Information, whether or not developed by Employee, except as required in the performance of Employee's duties to Employer; (iii) keep in strictest confidence any Confidential Information or Business Related Information; and (iv) not disclose or divulge, or allow to be disclosed or divulged by any person within Employee's control, to any person, firm, or corporation, or use directly or indirectly, for Employee's own benefit or the benefit of others, any Confidential Information or Business Related Information.

(c) Employee agrees that all lists, materials, records, books, data, plans, files, reports, correspondence, and other documents ("Employer material") used or prepared by, or made available to, Employee shall be and remain property of Employer. Upon termination of employment, Employee shall immediately return all Employer material to Employer, and Employee shall not make or retain any copies or extracts thereof.

4.2. Competition. Employee agrees that during the term of this Agreement and for a period of two (2) years after the termination of his employment with Employer for any reason, he shall not: (i) be an officer, director, consultant, partner, owner, stockholder, employee, creditor, agent, trustee, independent contractor, or advisor on a paid or unpaid basis of any individual, partnership, limited liability company, corporation, independent practice association, management services organization, or any other entity (collectively, "Person") that either is in the business of or, directly or indirectly, derives any economic benefit from providing, arranging, offering, managing, or subcontracting dialysis services or renal care services; or (ii) directly or indirectly, own, manage, control, operate, invest in, acquire an interest in, or otherwise engage in, act for, or act on behalf of any Person (other than Employer and its subsidiaries and affiliates)

engaged in any activity in the United States or in those countries outside the United States in which Employer or any of its subsidiaries or affiliates had conducted any business during Employee's employment hereunder, where such activity is similar to or competitive with the activities carried on by Employer or any of its subsidiaries or affiliates. As used herein, the term "dialysis services" or "renal care services" includes, but shall not be limited to, all dialysis services and nephrology-related services provided by Employer at any time during the period of Employee's employment, including, but not limited to, hemodialysis, acute dialysis, apheresis services, peritoneal dialysis of any type, staff-assisted hemodialysis, home hemodialysis, dialysis-related laboratory and pharmacy services, access-related services, Method II dialysis supplies and services, nephrology practice management, vascular access services, disease management services, pre-dialysis education, ckd services, or renal physician/center network management, and any other services or treatment for persons diagnosed as having end stage renal disease ("ESRD") or pre-end stage renal disease, including any dialysis services provided in an acute hospital. The term "ESRD" shall have the same meaning as set forth in Title 42, Code of Federal Regulations 405.2101 *et seq.* or any successor thereto. Employee acknowledges that the nature of Employer's activities is such that competitive activities could be conducted effectively regardless of the geographic distance between Employer's place of business and the place of any competitive business. Notwithstanding anything herein to the contrary, such activities shall not include the ownership of 1% or less of the issued and outstanding stock, which is purchased in the open market, of a public company that conducts business that is similar to or competitive with the business carried on by the Employer or any of its subsidiaries or affiliates.

Notwithstanding anything set forth herein, Employee shall not be prohibited from being employed (as an employee or independent contractor) by any Person that provides dialysis services and/or renal care services, as those terms as defined above, so long as such services constitutes no more than 5% of that Person's total business operations and so long as Employee has no authority over, responsibility for, oversight of, connection with, or involvement in anyway in the dialysis services and/or renal care services provided by that Person.

Employee acknowledges and agrees that the geographical limitations and duration of this covenant not to compete is reasonable. In particular, Employee agrees that his position is national in scope and that he will have an impact on every location where Employer currently conducts and will conduct business. Therefore, Employee acknowledges and agrees that, like his position, this covenant cannot be limited to any particular geographic region.

4.3 Solicitation of Employees. Employee promises and agrees that he will not, for a period of two (2) years after the termination of his employment, directly or indirectly, solicit any of Employer's employees to work for any business, individual, partnership, firm, corporation, or other entity that is then in competition with Employer's business or any subsidiary or affiliate of Employer. Employee also agrees that during his employment and for a period of two (2) years after the termination of his employment, directly or indirectly, that he will not hire any of Employer's employees to work (as an employee or an independent contractor) for any business, individual, partnership, firm, corporation, or other entity that is then in competition with Employer's business or any subsidiary or affiliate of Employer. In addition, Employee agrees that during his employment and for a period of two (2) years after the

termination of his employment, directly or indirectly, that he will not take any action that may reasonably result in any of Employer's employees going to work (as an employee or an independent contractor) for any business, individual, partnership, firm, corporation, or other entity that is then in competition with Employer's business or any subsidiary or affiliate of Employer.

4.4 Other solicitation. Employee promises and agrees that during the term of this Agreement and for a period of two (2) years after the termination of his employment for any reason, he shall not, directly or indirectly: (i) induce any patient or customer of Employer, either individually or collectively, to patronize any competing dialysis facility; (ii) request or advise any patient, customer, or supplier of Employer to withdraw, curtail, or cancel such person's business with Employer; (iii) enter into any contract the purpose or result of which would benefit Employee if any patient or customer of Employer were to withdraw, curtail, or cancel such person's business with Employer; (iv) solicit, induce, or encourage any physician (or former physician) affiliated with Employer or induce or encourage any other person under contract with Employer to curtail or terminated such person's affiliation or contractual relationship with Employer; (v) disclose to any Person the names or addresses of any patient or customer of Employer or of any physician (or former physician) affiliated with Employer; or (vi) disparage Employer or any of its agents, employees, or affiliated physicians in any fashion.

4.5 Enforcement. In the event that any part of this Section 4 shall be held unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions had not been a part hereof. In the event that the area, period of restriction, activity, or subject established in accordance with this Section 4 shall be deemed to exceed the maximum area, period of restriction, activity, or subject that a court of competent jurisdiction deems enforceable, such area, period of restriction, activity, or subject shall, for the purpose of Section 4, be reduced to the extent necessary to render them enforceable.

4.6 Equitable Relief. Employee agrees that any violation by Employee of any covenant in Section 4 will or would cause Employer to suffer irreparable injury, the exact amount of which will be difficult to ascertain. For that reason, Employee agrees that Employer shall be entitled, as a matter of right, to a temporary, preliminary, and/or permanent injunction and/or other injunctive relief, ex parte or otherwise, from any court of competent jurisdiction, restraining any further violations by Employee. Such injunctive relief shall be in addition to and in no way limit any and all other remedies Employer shall have in law and equity for the enforcement of such covenants and provisions. Employee consents and stipulates to the entry of such injunctive relief in such a court prohibiting him from any further violation of the covenants and provisions of Section 4.

Section 5. Excess Parachute Payment. In the event that any payment or benefit received or to be received by Employee in connection with a Change of Control, whether payable pursuant to the terms of this Agreement or any other plan, arrangement or agreement by Employer, any predecessor or successor to Employer or any corporation affiliated (within the meaning of Section 1504 of the Internal Revenue Code of 1986, as amended (the "Code")) with Employer or which becomes so affiliated pursuant to the transactions resulting in a Change of

Control (collectively all such payments are hereinafter referred to as the "Total Payments"), is deemed to be an "Excess Parachute Payment" (in whole or in part) to Employee within the meaning of Section 280G of the Code, as in effect at such time, no change shall be made to the Total Payments to be made in connection with the Change of Control, except that, in addition to all other amounts to be paid to Employee by Employer, Employer shall, within thirty (30) days of the date on which any Excess Parachute Payment is made, pay to Employee, in addition to any other payment, coverage or benefit due and owing, an amount determined by (i) multiplying the rate of excise tax then imposed by Code Section 4999 by the amount of the "Excess Parachute Payment" received by Employee (determined without regard to any payments made to Employee pursuant to this Section 5) and (ii) dividing the product so obtained by the amount obtained by subtracting (A) the aggregate local, state and Federal income and employment tax rates (including the value of the loss of itemized deductions under Section 68 of the Internal Revenue Code and the phase-out of the personal exemption) applicable to the receipt by Employee of the "Excess Parachute Payment" (taking into account the deductibility for Federal income tax purposes of the payment of state and local income taxes thereon) from (B) the amount obtained by subtracting from 1.00 the rate of excise tax then imposed by Section 4999 of the Code. It is Employer's intention that Employee's net after-tax position be identical to that which would have obtained had Sections 280G and 4999 not been part of the Code. For purposes of implementing this Section 5, (i) no portion, if any, of the Total Payments, the receipt or enjoyment of which Employee shall have effectively waived in writing prior to the date of payment of the Total Payments, shall be taken into account, and (ii) the value of any non-cash benefit or any deferred cash payment included in the Total Payments shall be determined by Employer's independent auditors in accordance with the principles of Sections 280G of the Code.

The calculation of the excess parachute payment is as follows: X = Y / (1 - (A + B + C)), where X is the total dollar amount of the Tax Gross-Up Payment, Y is the total Excise Tax imposed with respect to such Change in Control Benefit, A is the Excise Tax rate in effect at the time, B is the highest combined marginal federal income and applicable state income tax rate in effect, after taking into account the deductibility of state income taxes against federal income taxes to the extent allowable, for the calendar year in which the Tax Gross-Up Payment is made, and C is the combined federal and state employment tax rate in effect for the calendar year in which the Tax Gross-Up Payment is made.

Subject to the provisions of this Section 5, all determinations required to be made under this Section 5, including (i) whether and when a Tax Gross-Up Payment is required, (ii) the amount of such Tax Gross-Up Payment, and (iii) the assumptions to be utilized in arriving at such determination, shall be made by independent auditors of Employer (the "Accounting Firm"). The Accounting Firm shall provide detailed supporting calculations both to Employer and Employee within 15 business days of the receipt of notice from Employee that there has been an Excess Parachute Payment, or such earlier time as is requested by Employer. All fees and expenses of the Accounting Firm shall be borne solely by Employer.

Any Tax Gross-Up Payment, as determined pursuant to this Section 5, shall be paid by Employer to Employee within thirty (30) days of the receipt of the Accounting Firm's determination. If the Accounting Firm determines that no Excise Tax is payable by Employee, it

shall furnish Employee with a written opinion that failure to report the Excise Tax on Employee's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon Employer and Employee.

In the event that a Tax Gross-Up Payment was not made but should have been made ("Underpayment"), and Employee thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment (including, without limitation, penalties and interest), and Employer shall promptly pay the Underpayment to or for the benefit of Employee.

In the event that a Tax Gross-Up Payment was made but should not have been made ("Overpayment"), the Accounting Firm shall determine the amount of the Overpayment and Employee shall promptly pay the Overpayment to Employer.

Employee shall notify Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by Employer of the Tax Gross-Up Payment ("Gross-Up Notice"). Employee shall give Employer the Gross-Up Notice as soon as practicable, but no later than 10 business days after Employee is informed in writing of such claim and shall apprise Employer of the nature of such claim and the date on which such claim is requested to be paid. Employee shall not pay such claim prior to the expiration of the 30-day period following the date of the Gross-Up Notice (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If Employer notifies Employee in writing prior to the expiration of such period that it desires to contest such claim, Employee shall:

(i) give Employer any information reasonably requested by Employer relating to such claim,

(ii) take such action in connection with contesting such claim as Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by Employer,

(iii) cooperate with Employer in good faith in order effectively to contest such claim, and

(iv) permit Employer to participate in any proceedings relating to such claim.

Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed on Employee as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 5, Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Employee to pay the tax claimed and sue for a refund or contest the claim in any

permissible manner. In the event that Employer elects to contest the tax, Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as Employer shall determine. If Employer directs Employee to pay such claim and sue for a refund, Employer shall advance the amount of such payment to Employee, on an interest–free basis, for any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance. In the event that the Internal Revenue Service requests an extension of the statute of limitations relating to payment of taxes for the taxable year of Employee with respect to which such contested amount is claimed to be due, such an extension may, at the election of Employee, be limited solely to such contested amount. Furthermore, Employer's control of the contest shall be limited to issues with respect to which a Tax Gross-Up Payment would be payable hereunder, and Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

If, after the receipt by Employee of an amount advanced by Employer pursuant to Section 5, Employee becomes entitled to receive any refund with respect to such claim, Employee shall promptly pay Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Employee of an amount advanced by Employer pursuant to this Section 5, a determination is made that Employee shall not be entitled to any refund with respect to such claim and Employer does not notify Employee in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Tax Gross-Up Payment to be paid.

Notwithstanding anything to the contrary in this Section 5, in the event that a Tax Gross-Up Payment is made before the date on which Employee actually owes the Excise Tax, then the amount of the payment shall be discounted using the applicable interest rate, i.e., the prime rate, used to compute the present value of an amount at the same time in the future for purposes of computing the Excise Tax.

Section 6. Miscellaneous.

6.1 Entire Agreement; Amendment. This Agreement and the separate Stock Option Agreement represents the entire understanding of the parties hereto with respect to the employment of Employee and supersedes all prior agreements with respect thereto. This Agreement may not be altered or amended except in writing executed by both parties hereto.

6.2 Assignment; Benefit. This Agreement is personal and may not be assigned by Employee. This Agreement may be assigned by Employer and shall inure to the benefit of and be binding upon the successors and assigns of Employer.

6.3 Applicable Law. This Agreement shall be governed by the laws of the State of California, without regard to the principles of conflicts of laws.

6.4 Notice. Notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to Employer at its principal office and to Employee at Employee's principal residence as shown in Employer's personnel records, provided that all notices to Employer shall be directed to the attention of the Chief Executive Officer, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

6.5 Construction. Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any party on the basis that the party was the drafter. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

6.6 Execution. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Photographic or facsimile copies of such signed counterparts may be used in lieu of the originals for any purpose.

6.7 Legal Counsel. Employee and Employer recognize that this is a legally binding contract and acknowledge and agree that they have had the opportunity to consult with legal counsel of their choice.

6.8 Waiver. The waiver by any party of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any other or subsequent breach of such or any provision.

6.9 Invalidity of Provision. In the event that any provision of this Agreement is determined to be illegal, invalid, or void for any reason, the remaining provisions hereof shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first written above.

DAVITA INC.

By /s/ KENT J. THIRY

Kent J. Thiry
Chief Executive Officer and
Chairman of the Board

EMPLOYEE

By /s/ JOSEPH SCHOHL

Joseph Schohl

Exhibit 10.27

AMENDMENT NO. 2 FREESTANDING DIALYSIS CENTER AGREEMENT NO. 200308360

The undersigned hereby agree to amend Freestanding Dialysis Center Agreement No. 200308360 between Amgen USA Inc. ("Amgen"), a wholly-owned subsidiary of Amgen Inc., and DaVita, Inc., including the freestanding dialysis center affiliate(s) listed on Appendix B, (collectively, "Dialysis Center") including any prior amendments thereto (the "Agreement"), as stated below.

WHEREAS, Amgen and Dialysis Center entered into Freestanding Dialysis Center Agreement No. 200308360 effective January 1, 2004, and subsequent thereto entered into Amendment No. 1 to Freestanding Dialysis Center Agreement, Agreement No. 200308360 ("Amendment No. 1");

WHEREAS, the Agreement sets forth the terms and conditions for the purchase of EPOGEN® (Epoetin alfa) and Aranesp® (darbepoetin alfa) (collectively, "Products") by Dialysis Center, exclusively for the treatment of dialysis patients;

WHEREAS, the parties wish to amend this Agreement to modify the Term of the Agreement [DELETED] for the period [DELETED], modify rebate programs for the period [DELETED] through [DELETED], and offer new rebates for the period [DELETED] through [DELETED], and clarify certain terms of the Agreement, all as more fully set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and undertakings herein contained, the parties hereto agree as follows:

SECTION 1. *Amendment and Restatement of the General Terms and Conditions*—The General Terms and Conditions of the Agreement shall be amended and restated in their entirety effective as follows on December 1, 2004 provided Dialysis Center executes this amended Agreement on or before December 1, 2004 ("Amended Date"). If Dialysis Center executes this amended Agreement after December 1, 2004, the Amended Date shall be the date on which the party last to execute this amended Agreement has executed this amended Agreement.

1. **Term of Agreement.** The "Term" of this Agreement shall be defined as January 1, 2004 ("Commencement Date") through December 31, 2005 ("Termination Date").

2. **Dialysis Center Affiliates.** Only those Dialysis Center affiliates ("Affiliates") listed on Appendix B which is incorporated by reference hereto and made a part of this Agreement will be eligible to participate under this Agreement. Affiliates eligible to participate under this Agreement shall be facilities owned in whole or in part by Dialysis Center or for which Dialysis Center provides management or administrative services including such services as the purchasing and billing of EPOGEN® (Epoetin alfa) and Aranesp® (darbepoetin alfa) (collectively, "Products"). Additions to the Affiliates listed on Appendix B may be made pursuant to the request of Dialysis Center's corporate headquarters and are subject to approval and acknowledgment by Amgen in writing, and such approval and acknowledgment shall not be unreasonably withheld, conditioned or delayed. Dialysis Center may delete Affiliates from participation in this Agreement at any time, in its sole discretion. Amgen requires reasonable notice before the effective date of change (the "Administrative Effective Date") for any addition or deletion of Affiliates. Notwithstanding the immediately preceding sentence, Amgen agrees to coordinate with Dialysis Center's Authorized Wholesalers (as defined in Section 4 of the Agreement) [DELETED] any and all purchases made by Dialysis Center [DELETED]

[DELETED] = Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.

pursuant to which Dialysis Center is legally authorized to purchase Products for such added Affiliate [DELETED]; all such purchases by Dialysis Center during such period shall constitute "Qualified Purchases" under this Agreement and shall be included for purposes of eligibility and calculation of each and every discount and incentive provided hereunder and in Appendix A which is incorporated by reference hereto and made a part of this Agreement, including but not limited to the [DELETED] set forth in Section 1 of Appendix A for Aranesp® purchases and including but not limited to the [DELETED] set forth in Section 2 of Appendix A for EPOGEN® purchases, so long as Amgen is not obligated to pay the same discount or incentive attributable to the same purchases to any person or entity other than Dialysis Center. Amgen reserves the right in its reasonable discretion to terminate any Affiliates with regard to participation in this Agreement. Termination of any Affiliate by Amgen shall be effective (a) immediately in instances in which Amgen determines, in its sole discretion, that such immediate termination is required by law or order of any court or regulatory agency or as a result of negligence or willful misconduct in the use or administration of Products by such Affiliate; or (b) upon thirty (30) days prior written notice to Dialysis Center in all other instances; provided, that such termination shall be effective before the expiration of such thirty (30) days where Dialysis Center requests or consents to such earlier termination.

3. **Own Use.** Dialysis Center hereby certifies that Products purchased hereunder shall be for Dialysis Center's "own use" for the exclusive treatment of dialysis patients.

4. **Authorized Wholesalers.** Attached hereto as Appendix C is a complete list, as of the date of execution of this Agreement, of the wholesalers from which Dialysis Center intends to purchase Products. All of the wholesalers so designated by Dialysis Center are hereby approved by Amgen to participate in this program and are deemed "Authorized Wholesalers". Notification of proposed changes to the list of Authorized Wholesalers must be provided to Amgen in writing at least thirty (30) days before the effective date of the proposed change; provided, however, that Amgen will use its best efforts to accept a change on fewer than thirty (30) days' notice. Amgen reserves the right, in its reasonable discretion, to reject or terminate, with reasonable notice, any wholesaler with regard to participation in this Agreement, so long as (a) Amgen rejects or terminates such wholesaler with respect to providing Products to any and all purchasers of Products, or (b) such wholesaler independently requests Amgen to remove it as an Authorized Wholesaler for Dialysis Center. Amgen also reserves the right, in its reasonable discretion, to accept wholesalers with regards to participation in this Agreement, but Amgen agrees that it shall accept any wholesaler designated by Dialysis Center which provides Products to other purchasers approved by Amgen. Dialysis Center agrees to request all Authorized Wholesalers to submit product sales information to a third-party sales reporting organization designated by Amgen. In the event Amgen terminates any Authorized Wholesaler from which Dialysis Center is purchasing Products, Amgen will work with Dialysis Center to identify other possible Authorized Wholesalers from which Dialysis Center may purchase Products and/or, in the case of an emergency and subject to credit qualification as well as receipt and approval of an "Application for Direct Ship Account", use reasonable efforts in attempting to establish a temporary direct purchase relationship between Dialysis Center and Amgen until such time as an alternative Authorized Wholesaler can be secured, which in no event shall exceed sixty (60) days. If Dialysis Center purchases directly from Amgen as contemplated immediately above, all purchases made from Amgen shall be deemed "Qualified Purchases" (as defined below) and all such purchases shall be accounted for in the calculation of the discounts and incentives provided for in this Agreement and in Appendix A.

5. **Qualified Purchases.** Only Products purchased under this Agreement by Dialysis Center through Authorized Wholesalers (or directly from Amgen as provided in Section 4 above), as confirmed by Amgen based on sales tracking data, will be deemed "Qualified Purchases".

6. **Commitment to Purchase.** Subject to the terms of Section 20 below, Dialysis Center agrees to exclusively purchase Products for all of its dialysis use requirements for erythropoietic agents. Notwithstanding the

foregoing, Amgen expressly acknowledges and agrees that Dialysis Center may participate in clinical trials involving the administration of other products for the management of anemia in dialysis patients. Dialysis Center may purchase another brand of recombinant human erythropoietin for its dialysis use requirements only for the time, and only to the extent, that Amgen has notified Dialysis Center's corporate headquarters in writing that Amgen cannot supply EPOGEN® or Aranesp® within and for the time period reasonably required by Dialysis Center. Any such notification shall be given by Amgen at least thirty (30) days prior to the date on which Amgen will cease supplying EPOGEN® or Aranesp® to Dialysis Center, unless an act or event described in Section 21 of the Agreement, or an order of a regulatory agency or other action arising out of patient safety concerns, requires the giving of shorter notice. In the event that Amgen fails to supply Dialysis Center with EPOGEN® or Aranesp® as ordered (including as a result of force majeure event as described in Section 21), Dialysis Center shall be entitled, at a minimum, to have the same proportion of its purchase orders fulfilled at all times as other purchasers of EPOGEN® or Aranesp® and, upon request, Amgen shall provide written assurances of same to Dialysis Center.

7. **Confidentiality.** By the nature, terms and performance of this Agreement, Amgen and Dialysis Center acknowledge and agree that the parties will exchange confidential and proprietary information (including business and clinical practices and protocols and patient information, "Confidential Information".) Confidential Information includes not only written information but also information transferred orally, visually, electronically, in a machine readable format or by any other means and includes all notes, analyses, compilations, studies and summaries thereof containing or based on, in whole or in part, any Confidential Information. Confidential Information does not include any information which the receiving party can show was publicly available prior to the receipt of such information by the receiving party, or thereafter became publicly available other than by any breach of this Agreement by the receiving party. Information shall be deemed "publicly available" if it is a matter of public knowledge or is contained in materials available to the public. Accordingly, the parties agree (a) to hold all such Confidential Information (including but not limited to this the terms of this Agreement) received from the other in confidence and to use such Confidential Information solely for the purposes set forth in this Agreement; and (b) to not disclose any such Confidential Information received from the other, or the terms of this Agreement, to any third party (including Amgen Inc. or any other affiliate of Amgen), or otherwise make such information public without prior written authorization of the other party, except where such disclosure is contemplated hereunder or required by law or pursuant to subpoena or court or administrative order, and then only upon prior written notification to the other party (giving such party an adequate opportunity to take whatever steps it deems necessary to prevent, limit the scope of or contest the disclosure). Any party which seeks to prevent disclosure or to contest or limit the scope of any such disclosure by the other party shall pay all of the costs and expenses incurred by the other party directly related thereto, and such other party shall not unreasonably object to or interfere with the objecting party's actions it deems necessary to undertake. For purposes of the foregoing, any Confidential Information received by any employee, partner, agent, affiliate, consultant, advisor, data collection vendor or other representative (in any case, a "representative") of a party to this Agreement pursuant to the terms of this Agreement shall be deemed received by such party to this Agreement, and any breach by any such representative of the foregoing confidentiality provisions shall be deemed a breach by the respective party to this Agreement.

8. **Discounts.** Dialysis Center shall qualify for discounts and incentives subject to material compliance with the terms and conditions of this Agreement as well as the schedules and terms set forth in Appendix A. Discounts in arrears will be paid in the form of a wire transfer to Dialysis Center's corporate headquarters, and Amgen Inc. hereby guarantees Amgen's obligation to pay all discounts earned by Dialysis Center hereunder. Discounts in arrears will be calculated in accordance with Amgen's discount calculation policies based on Qualified Purchases using Amgen's standard [DELETED] as the calculation price, except as otherwise provided hereunder or as set forth in Appendix A. Payment amounts, as calculated by Amgen, must equal or exceed $500.00 for the applicable period to qualify, and are subject to audit and final

determination by arbitration, as provided in Appendix A hereto. Subject to Section 11, in the event that Amgen is notified in writing that Dialysis Center, and/or any Affiliate(s) (the "Acquired Party") is acquired by another entity or a change of control otherwise occurs with respect to any Acquired Party, any discounts which may have been earned hereunder for all periods preceding such acquisition or change of control shall be paid in the form of a wire transfer to Dialysis Center's corporate headquarters, subject to the conditions and requirements described herein. For purposes of all of the discounts paid in arrears contained herein, including, without limitation, those discounts and incentives provided in Appendix A, if any Affiliates are added to or deleted from this Agreement during any [DELETED] of the Term of this Agreement, Amgen shall appropriately adjust Dialysis Center's purchases for the relevant periods (x) for deleted Affiliates, by excluding purchases by such Affiliates effective from the effective date of their deletion and during the relevant [DELETED] used for comparison, or (y) for added Affiliates, by including any purchases made by such acquired Affiliates effective from the date they are added to the list of Affiliates on Appendix B and during the relevant [DELETED] used for comparison, and by including any purchases made by any de novo Affiliates commencing in the [DELETED] in which they commence operations. Amgen and Dialysis Center agree that, for purposes of determining eligibility for and calculation of all discounts and all incentives provided in this Agreement (including, without limitation, all discounts and incentives as are set forth in Appendix A), a Qualified Purchase of EPOGEN® or Aranesp® shall be deemed made on the date of invoice to Dialysis Center from an Authorized Wholesaler. Upon any termination of this Agreement, Amgen shall pay to Dialysis Center all discounts and incentives earned by Dialysis Center through the date of termination. Failure of Dialysis Center to qualify for or receive any particular discount or incentive hereunder shall not automatically affect its qualification for or receipt of any other discount or incentive provided under this Agreement.

9. Treatment of Discounts. (a) Dialysis Center agrees that it will properly disclose and account for any discount or other reduction in price earned hereunder, in whatever form (i.e., pricing, discount, or incentive), in a way that complies with all applicable federal, state, and local laws and regulations, including without limitation, Section 1128B(b) of the Social Security Act and its implementing regulations. Section 1128B(b) requires that a provider of services properly disclose and appropriately reflect the value of any discount or other reduction in price earned in the costs claimed or charges made by the provider under a federal health care program, as that term is defined in Section 1128B(f). Dialysis Center also agrees that, if required by such statutes or regulations, it will (i) claim the benefit of such discount received, in whatever form, in the fiscal year in which such discount was earned or the year after, (ii) fully and accurately report the value of such discount in any cost reports filed under Title XVIII or Title XIX of the Social Security Act, or a state health care program, and (iii) provide, upon request by the U.S. Department of Health and Human Services or a state agency or any other federally funded state health care program, the information furnished to Dialysis Center by Amgen concerning the amount or value of such discount. Dialysis Center's corporate headquarters agrees that it will advise all Affiliates, in writing, of any discount received by Dialysis Center's corporate headquarters hereunder with respect to purchases made by such Affiliates and that said Affiliates will account for any such discount in accordance with the above stated requirements.

(b) In order to assist Dialysis Center's compliance with its obligations as set forth in Section 9(a) immediately above, Amgen agrees that it will fully and accurately report all discounts on the invoices or statements submitted to Dialysis Center and use reasonable efforts to inform Dialysis Center of its obligations to report such discounts; or where the value of a discount is not known at the time of sale, Amgen shall fully and accurately report the existence of the discount program on the invoices or statements submitted to Dialysis Center, use reasonable efforts to inform Dialysis Center of its obligations to report such discounts and when the value of the discount becomes known, provide Dialysis Center with documentation of the calculation of the discount identifying the specific goods or services purchased to which the discount will be applied, broken down by Affiliate. In particular, Amgen shall provide to Dialysis Center a statement on a [DELETED] basis stating the incentives and discounts earned by Dialysis Center in

a particular [DELETED] with the itemization of Product purchases made in a particular [DELETED], broken down by Affiliates; and any other information that Dialysis Center may request that is reasonably available to Amgen and necessary for Dialysis Center to obtain in order to comply with its obligation as set forth in Section 9(a).

10. **Data Collection.** Dialysis Center agrees that it will at all times comply with all federal, state, or local laws or regulations relating to patient privacy of health information and medical records, and that all data to be provided to Amgen pursuant to this Agreement, shall either be pursuant to that certain Data Use Agreement to be entered into by the parties simultaneously herewith ("DUA") or in a form that meets the requirements for "de-identification" as set forth in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") codified at 45 C.F.R. parts 160 and 164 (the "Privacy Rule"). Dialysis Center acknowledges that the data to be supplied to Amgen pursuant to this Agreement shall be used to support verification of the discounts and incentives referenced herein, as well as in support of Amgen's obligations as set forth in this Agreement (a) with respect to Amgen's public health activities (as set forth in 45 C.F. R. 164.512(b)(1)(iii)), and (b) in support of Dialysis Center's Health Care Operations (as defined in the Privacy Rule). Dialysis Center shall consistently use a unique alpha-numeric code (which shall not be the same as part or all of the patient's social security number) as a "case identifier" to track the care rendered to each individual patient over time, and such case identifier shall be included in the data provided to Amgen. The key or list matching patient identities to their unique case identifiers shall not be provided to Amgen personnel. Amgen and Amgen Inc. agree that they will maintain data supplied under this Agreement in confidence, they will not use such data to identify or contact any patient, and they will at all times comply with all federal, state, or local laws or regulations relating to patient records and privacy of health information. [DELETED]. Amgen shall not sell or resell any data obtained pursuant to this Agreement. Additionally, any use or disclosure by Amgen or Amgen Inc. of any data supplied under this Agreement, which use or disclosure shall be specifically provided for in this Agreement, shall be in a format which does not identify Dialysis Center as the source of such data, unless otherwise permitted in writing by Dialysis Center. Furthermore, no reports by Amgen or Amgen Inc. concerning analyses of the data shall disclose the identity of any patient. Nothing in this Agreement shall limit Dialysis Center's use of its own patient case data, including, without limitation, any and all data to be supplied to Amgen hereunder.

11. **Termination.** In addition to any other legal or equitable remedies which may be available to either party upon breach by the other party, such party may terminate this Agreement for a material breach upon thirty (30) days advance written notice specifying the breach, provided that such breach remains uncured at the end of the thirty (30) day period, [DELETED]. In addition, in the event that Dialysis Center materially breaches any provision of this Agreement, and such breach remains uncured for thirty (30) days following notice by Amgen specifying the breach, [DELETED], Amgen shall have no obligation to continue to offer the terms described herein or pay any further discounts or incentives to Dialysis Center, except those discounts and/or incentives earned by Dialysis Center up to the time of a breach which results in termination.

12. **Governing Law.** This Agreement shall be governed by the laws of the State of California and, except as set forth in Appendix A, the parties submit to the jurisdiction of the California courts, both state and federal.

13. **Warranties.** Each party represents and warrants to the other that this Agreement (a) has been duly authorized, executed, and delivered by it, (b) constitutes a valid, legal, and binding agreement enforceable against it in accordance with the terms contained herein, and (c) does not conflict with or violate any of its other contractual obligations, expressed or implied, to which it is a party or by which it may be bound. The party executing this Agreement on behalf of Dialysis Center specifically warrants and represents to Amgen that it is authorized to execute this Agreement on behalf of and has the power to bind Dialysis Center and the Affiliates to the terms set forth in this Agreement. The parties executing this Agreement on behalf of

Amgen and Amgen Inc specifically warrant and represent to Dialysis Center that they are authorized to execute this Agreement on behalf of and have the power to bind Amgen and Amgen Inc. to the terms set forth in this Agreement. Amgen covenants and agrees that no Product is or will be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, as amended, or within the meaning of any applicable state or municipal law, or is or will be a product which may not be introduced into interstate commerce. Amgen warrants that the Products purchased pursuant to this Agreement (a) are manufactured, and up to the time of their receipt by Authorized Wholesalers are handled, stored and transported in accordance with all applicable federal, state and local laws and regulations pertaining to the manufacturing of the Products including without limitation, the Federal Food, Drug, and Cosmetic Act and implementing regulations, and meet all specifications for effectiveness and reliability as required by the United States Food and Drug Administration, and (b) when used in accordance with the directions on the labeling, are fit for the purposes and indications described in the labeling. Amgen warrants that use of the Products by Dialysis Center shall not infringe upon any ownership rights of any other person or upon any patent, copyright, trademark, or other intellectual property or proprietary right or trade secret of any third party. Amgen agrees that it will promptly notify Dialysis Center once it determines that there has been any material defect in any of the Products delivered to Dialysis Center.

14. Notices. Any notice or other communication required or permitted hereunder (excluding purchase orders) shall be in writing and shall be deemed given or made three (3) days after deposit in the United States mail with proper postage for first-class registered or certified mail prepaid, return receipt requested, or when delivered personally or by facsimile (receipt verified and confirmed by overnight mail), or one (1) day following traceable delivery to a nationally recognized overnight delivery service with instructions for overnight delivery, in each case addressed to the parties as follows (or at such other addresses as the parties may notify each other of in writing):

If to Dialysis Center:

DaVita, Inc.
601 Hawaii Street
El Segundo, CA 90245
Attn: Corporate Finance
Fax No.: (866) 309-3552

with a copy to:

DaVita, Inc.
601 Hawaii Street
El Segundo, CA 90245
Attn: General Counsel
Fax No.: (310) 536-2679

If to Amgen:

Amgen USA Inc.
One Amgen Center Drive, M/S 37-2-B
Thousand Oaks, CA 91320-1789
Attn: Allison Wright, Sr. Contract and Pricing Analyst
Fax No.: (805) 499-6933

with a copy to:

Amgen Inc.
One Amgen Center Drive, M/S 27-4-A
Thousand Oaks, CA 91320-1789
Attn: General Counsel:
Fax No.: (805) 447-1000

If to Amgen Inc.:

Amgen Inc.
One Amgen Center Drive, M/S 37-2-B
Thousand Oaks, CA 91320-1789
Attn: Allison Wright, Sr. Contract and Pricing Analyst
Fax No.: (805) 499-6933

with a copy to:

Amgen Inc.
One Amgen Center Drive, M/S 27-4-A
Thousand Oaks, CA 91320-1789
Attn: General Counsel:
Fax No.: (805) 447-1000

15. **Compliance with Health Care Pricing and Patient Privacy Legislation and Statutes; Data Use Agreement.** (a) Notwithstanding anything contained herein to the contrary, in order to assure compliance, as determined by either party, in its sole discretion, with any existing federal, state or local statute, regulation or ordinance, or at any time following the enactment of any federal, state, or local law, regulation, policy, program memorandum or other interpretation, modification or utilization guideline by any payer that in any manner reforms, modifies, alters, restricts, or otherwise affects the pricing of or reimbursement available for any of the Products, including but not limited to the enactment of any reimbursement rule, guideline, final program memorandum, coverage decision, pricing decision, instruction or the like by the Centers for Medicare and Medicaid Services ("CMS") or one of its contractors (Carriers or Fiscal Intermediaries), or any change in reimbursement systems that in any manner reforms, modifies, alters, restricts or otherwise affects the reimbursement available to Dialysis Center for any of the Products, upon thirty (30) days notice, (i) [DELETED] may terminate this Agreement, (ii) Amgen may, in its sole discretion, modify any pricing or discount terms contained herein, or (iii) Amgen may, in its sole discretion, exclude any Affiliates from participating in this Agreement. Without limiting the foregoing, any change, modification or further clarification to the Medicare Modernization Act or any rules or regulations promulgated thereunder, or the Hematocrit Measurement Audit Program Memorandum that occurs subsequent to the Amended Date would specifically trigger the right to the termination or modification referenced herein. Additionally, to assure compliance with any existing federal, state or local statute, regulation or ordinance, Amgen reserves the right, in its sole discretion, to exclude any Affiliates from the pricing and discount provisions of this Agreement and/or to reasonably modify any pricing or discount terms contained herein. In the event there is a future change in Medicare, Medicaid, or other federal or state statute(s) or regulation(s) or in the interpretation thereof, which renders any of the material terms of this Agreement unlawful or unenforceable, this Agreement shall continue only if amended by the parties as a result of good faith negotiations as necessary to bring the Agreement into compliance with such statute or regulation. In the event Amgen chooses to invoke the provisions contained in this Section 15(a), [DELETED].

(b) Notwithstanding anything contained herein to the contrary, in order to assure compliance, as determined by either party in its sole discretion, with any existing federal, state or local statute, regulation or ordinance relating to patient privacy of medical records, or at any time following the enactment of any federal, state, or local law or regulation relating to patient privacy of medical records that in any manner reforms, modifies, alters, restricts, or otherwise affects any of the data received or to be received in connection with any of the incentives contemplated under this Agreement, either party may, in its discretion, upon thirty (30) days' notice, seek to modify this Agreement. Dialysis Center and Amgen shall meet and in good faith seek to mutually agree to modify this Agreement to accommodate any such change in law or regulation, with the intent to, if possible, retain the essential terms of the affected incentive and pricing structure. If the parties, after reasonable time, are unable to agree upon a modification, Amgen or Dialysis Center shall be entitled to terminate the affected incentive upon thirty (30) days' notice or upon such date that the law or regulation requires, whichever is earlier.

(c) Both parties agree that all uses and disclosures of the information received pursuant to the DUA will be in strict compliance with the HIPAA Privacy Rule. Notwithstanding anything contained herein to the contrary, this Agreement is effective only as of the date the parties hereto execute a mutually agreeable Data Use Agreement ("DUA") pursuant to which Dialysis Center may disclose certain patient information to Amgen which meets the requirements of a Limited Data Set (as specified in the DUA and which shall include, at a minimum, the data fields to be received by Amgen in connection with this Agreement) for purposes of Amgen's public health activities (as set forth in 45 C.F.R. 164.512(b)(1)(iii))and Amgen's obligations as set forth in this Agreement in support of Dialysis Center's Health Care Operations (as defined in the Privacy Rule). Unless otherwise specifically defined in this Agreement, each term used in this Section 15(c) shall have the meaning assigned to such term by HIPAA and the Privacy Rule. The parties acknowledge and agree that they have entered into a DUA in connection with the disclosure to Amgen of certain patient information, as described in Section 10 of this Agreement. If any party terminates the DUA for any reason, the other shall be entitled to terminate this Agreement immediately. Without limitation of the foregoing, the parties agree to negotiate in good faith to further amend this Agreement and/or enter into such additional agreements to the extent deemed necessary or appropriate by Dialysis Center or Amgen in connection with any disclosure by Dialysis Center or receipt by Amgen of any additional patient information (including any individually identifiable health information) and/or to comply with the Dialysis Center's [DELETED], the Privacy Rule or other or federal or state related regulations or statutes related to privacy of health information. Simultaneously upon execution of this Agreement, Dialysis Center has delivered to Amgen a copy of all applicable [DELETED] in effect on the date hereof, and Amgen acknowledges receipt of same and agrees to be bound by the requirements set forth therein. During the Term of this Agreement, Dialysis Center shall provide Amgen, from time to time, with additional [DELETED] as they become effective, and with [DELETED], at least thirty (30) days prior to the effective date of each [DELETED].

16. [DELETED]

(b) [DELETED]

17. [DELETED]

18. Good Pharmaceutical Practice Support Services for the Products. Without limitation of the provisions of Section 19 "Access", and in order to advance the common clinical objectives of the parties under this Agreement, Amgen agrees to provide to Dialysis Center those good pharmaceutical practice standard support services (the "Services"), at no additional cost or charge, but only to the extent that the delivering of such Services can be accomplished without using any individually identifiable heath information (as defined

in the Privacy Rule). Any such Services shall be limited to those Services agreed to in writing from time to time (in each case, a "Services Agreement") between Amgen and Dialysis Center.

Amgen agrees to furnish such Services only in cooperation with Dialysis Center's facilities, in a manner consistent with Dialysis Center's policies and procedures and in accordance with the terms otherwise set forth in the Services Agreement and this Agreement, including without limitation Section 19 "Access" hereof. Further, Amgen and Dialysis Center agree to provide their respective staff members with appropriate training regarding patient privacy and confidentiality, including with respect to such party's obligations under this Agreement and the Services Agreement.

19. **Access.** Amgen acknowledges, agrees and understands that absent an applicable Services Agreement (as defined in Section 18 above), none of its agents, representatives or employees shall be permitted access at any time to any Affiliate or Dialysis Center for any reason whatsoever. In each situation in which a Services Agreement is executed and delivered, Amgen may be granted access solely for the purposes described in such Services Agreement(s). Without limitation of the foregoing, Amgen agrees that it and its agents, representatives and employees shall at all times comply with all applicable laws and regulations, and with Dialysis Center's [DELETED] (which applicable [DELETED] shall be identified to Amgen from time to time by Dialysis Center as more fully described in Section 15(c) above), and that Amgen's discussion of the Products shall be in compliance with all such [DELETED] and all applicable laws and regulations. Furthermore, Amgen acknowledges, agrees and understands that it must obtain Dialysis Center's prior written approval of all proposed educational, marketing and promotional materials and of all proposed presentations relating to anemia management, any of the Products, any other Amgen product or otherwise, whether directed toward Dialysis Center employees or any patient of Dialysis Center. Such approval may be given only by Dialysis Center's Vice President, Clinical Operations or his authorized representative. Dialysis Center's Vice President, Clinical Operations or his authorized representative agree to notify Amgen's National Account Manager of his decision within ten (10) business days after receipt of such program, material or presentation request, otherwise such request will be deemed denied.

20. **Right of First Offer.** Dialysis Center shall promptly notify Amgen in the event it receives a competing offer from any third party for the sale of any products in the same therapeutic class as any of the Products. Amgen shall have the right in such event to have sixty (60) days to respond to Dialysis Center with its own pricing terms relating to products. Dialysis Center shall consider but have no obligation to accept the terms of Amgen's new offer, if any.

21. **Force Majeure.** Neither party will be liable for delays in performance or nonperformance of this Agreement or any covenant contained herein if such delay or nonperformance is a result of Acts of God, civil or military authority, civil disobedience, epidemics, war, failure of carriers to furnish transportation, strike, lockout or other labor disturbances, inability to obtain material or equipment, or any other cause of like or different nature beyond the control of such party. In the event that there is a disruption or shortage in supply of any Product, Amgen will use reasonable efforts to notify Authorized Wholesalers as far in advance of such disruption as is commercially reasonable and in accordance with all regulatory guidelines. In addition, Dialysis Center's eligibility to receive rebates and incentives as set forth on Appendix A as determined by the [DELETED] under Section 3(b) of Appendix A shall not be affected.

22. **Miscellaneous.** No modification of this Agreement will be effective unless made in writing and executed by a duly authorized representative of each party, except as otherwise provided hereunder. Neither party may assign this Agreement to a third party without the prior written consent of the other party, which consent may not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, Amgen may assign this Agreement to any of its subsidiaries or affiliates. This Agreement may be executed in one or more counterparts, each of which is deemed to be an original but all of which taken together constitutes one

and the same agreement. Whenever a party is permitted by this Agreement to act in its discretion, that party shall be required to exercise its discretion in good faith and in a reasonable manner. To the extent that any provisions of Amgen's or Amgen Inc.'s general or customary policies and procedures or any terms of any purchase order conflict with or are in addition to the terms of this Agreement or any Appendix attached hereto, the terms of this Agreement and Appendices shall govern. The parties acknowledge and understand that each has [DELETED]. Notwithstanding anything contained to the contrary in this Agreement, in the event that [DELETED] as set forth in [DELETED], Amgen and Dialysis Center will agree [DELETED], as the case may be. Notwithstanding anything contained to the contrary in this Agreement, in the event of [DELETED] for the calculation of any of the incentives set forth in Appendix A, the parties shall [DELETED]. [DELETED] available to Dialysis Center [DELETED]. Upon expiration or early termination of this Agreement, the rights and obligations set forth in sections 7, 8, 10, 13, 16, 17 and 23 shall survive. Amgen reserves the right to rescind this offer if the parties fail to execute this Agreement within thirty (30) days from the date of its offering.

(a) Beginning [DELETED], Dialysis Center's aggregate Qualified Purchases of Products by all Affiliates listed on Appendix B on the Amended Date of this Agreement during any [DELETED] of this Agreement shall not exceed [DELETED] of the aggregate Qualified Purchases of Products by those same Affiliates for the [DELETED]. Dialysis Center shall not be eligible to receive any rebates detailed in Appendix A of this Agreement for any Qualified Purchases of Products in the aggregate made during any [DELETED] of this Agreement that exceed [DELETED] of the aggregate Qualified Purchases of Products by those same Affiliates in the [DELETED]. Any of Dialysis Center's aggregate Qualified Purchases of Products above [DELETED] of the aggregate Qualified Purchases of Products by those same Affiliates in the [DELETED] may be approved and eligible to receive rebates detailed in Appendix A if Amgen, in its sole discretion, determines that [DELETED]. Amgen shall make such determination based upon a review of all relevant reports including, but not limited to: [DELETED] finance reports. Such determination must be approved by Amgen's [DELETED] Senior Management. For purposes of determining the foregoing, during the period [DELETED] through [DELETED], Products base sales during each [DELETED] shall be derived using the [DELETED].

23. **Open Records.** To the extent required by §1861(v)(1)(I) of the Social Security Act, as amended, the parties will allow the U.S. Department of Health and Human Services, the U.S. Comptroller General and their duly authorized representatives, access to this Agreement and all books, documents and records necessary to certify the nature and extent of costs incurred pursuant to it during the Term and for four (4) years following the last date Products or services are furnished under it. If Amgen carries out the duties of this Agreement through a subcontract worth $10,000 or more over a 12-month period with a related organization, the subcontract shall also contain an access clause to permit access by the U.S. Department of Health and Human Services, the U.S. Comptroller General, and their duly authorized representatives to the related organization's books and records.

24. **Entire Agreement.** The Agreement together with the DUA, any Services Agreement(s) and all of the Appendices attached hereto and thereto, constitutes the entire understanding between the parties and supersedes all prior or oral written proposals, agreements or commitments pertaining to the subject matter herein and therein.

Please retain one fully executed original for your records and return the other fully executed original to Amgen.

The parties executed this amendment and restatement of the Agreement as of the dates set forth below.

Amgen USA Inc.		**DaVita, Inc.**	
Signature:	/s/ FRED MANAK	Signature:	/s/ H.W. GUY SEAY
Print Name:	Fred Manak	Print Name:	H.W. Guy Seay
Print Title:	Director, US Corporate Pricing	Print Title:	Vice President
Date:	December 2, 2004	Date:	December 2, 2004

Amgen Inc. agrees to be bound by certain provisions of this amendment and restatement of the Agreement as set forth herein

Amgen USA Inc.

Signature: /s/ HELEN TORLEY

Print Name: Helen Torley

Print Title: VP General Manager

Date: December 2, 2004

SECTION 2. Amendment and Restatement of Appendix A: Discount Pricing, Schedule and Terms. Appendix A: Discount Pricing, Schedule and Terms shall be amended and restated in its entirety [DELETED] for the period [DELETED], modify the rebate programs for the period [DELETED] through [DELETED] for the period [DELETED] through [DELETED] for the period [DELETED] through [DELETED], and incorporate into such restatement the agreement previously reached by the parties as set forth in Amendment No. 1 and make certain clarifying changes thereto, effective on the Amended Date as follows.

Appendix A: Discount Pricing, Schedule, and Terms

1. **Pricing – Aranesp®.** Throughout the Term of this Agreement, Dialysis Center and Affiliates may purchase Aranesp® through Authorized Wholesalers at [DELETED] which shall be equal to the [DELETED]. Amgen reserves the right to change the [DELETED] at any time. Resulting prices do not include any wholesaler markup, service fees, or other charges.

2. **Pricing – EPOGEN®.** Throughout the Term of this Agreement, Dialysis Center and Affiliates may purchase EPOGEN® directly from Amgen or through Authorized Wholesalers at [DELETED] which shall be equal to the [DELETED]. Amgen reserves the right to change the [DELETED] at any time. Notwithstanding any such change(s), the [DELETED] that is applicable to Dialysis Center throughout the Term shall be the [DELETED]. Resulting prices do not include any wholesaler markup, service fees, or other charges. All discounts earned in arrears hereunder (also known as "rebates"), through the Term of the Agreement, shall be calculated based upon the [DELETED], such that any [DELETED] contained in any of the discounts or incentives set forth in this Appendix A shall [DELETED] in the [DELETED].

3. **Rebate/Incentive Qualification Requirements.**

   (a) [DELETED]: In order for Dialysis Center to be eligible to receive any rebates or incentives described in [DELETED] of this Appendix A, Dialysis Center must satisfy the following qualification requirement. No more than [DELETED] of Dialysis Center's [DELETED] taken on an overall basis (and not separately for each Affiliate) may have [DELETED] (as that term is defined below) [DELETED] during the applicable [DELETED] of the Term of this Agreement [DELETED]. If this criteria is not met during any given [DELETED] of the Term of the Agreement, Dialysis Center will not qualify for any rebates described in [DELETED] below in this Appendix A during that [DELETED]. Failure of Dialysis Center to qualify under this provision during a particular [DELETED] shall not affect Dialysis Center's eligibility to qualify during any other [DELETED] of the Term, nor shall Dialysis Center's qualification during a particular [DELETED] automatically result in qualification during any other [DELETED]. The [DELETED] for each dialysis patient will be based upon the average of all [DELETED] for each patient during the applicable [DELETED]. Dialysis Center and Affiliates must provide the following information for each dialysis patient to Amgen or to a data collection vendor specified and paid for by Amgen, on a [DELETED] basis, and no later than [DELETED] days after the end of each [DELETED]. In those cases in which Amgen directs Dialysis Center to submit the following information to a data collection vendor, Dialysis Center shall be deemed to have timely submitted the information to such data collection vendor so long as it does so on a [DELETED] basis and no later than [DELETED] days after the end of each [DELETED], regardless of the date on which such vendor, in turn, submits such information to Amgen: all [DELETED] for each dialysis patient, the date of each test, and a consistent, unique, alpha-numeric identifier (sufficient consistently to track an individual patient without in any way violating the de-identification provisions of HIPAA at 45 CFR 164.514), along with the name, address and phone number of the particular Affiliate at which each patient received treatment; provided, however, that Dialysis Center shall be required to submit such test results only for those dialysis patients whose test results are actually determined by laboratories owned and operated by Dialysis Center. For any period that is not equivalent to a complete [DELETED], the

calculation of [DELETED] will be based on an average of all data for each dialysis patient that is available for that period. To the extent permitted by applicable law, Amgen may utilize the data it receives from Dialysis Center or any Affiliate, pursuant to and as detailed in this provision or elsewhere in this Agreement, to support verification of the discounts and incentives referenced in this Agreement, as well as for any purpose in support of Amgen's obligations as set forth in this Agreement with respect to Amgen's public health activities (as set forth in 45 CFR 164.512 (b)(1)(iii)), and (ii) in support of Dialysis Center's Health Care Operations (as defined in the Privacy Rule). In furtherance of the foregoing, Amgen reserves the right to audit all such data, provided that any audit shall not permit access to information disclosing the identity of any patient. Under no circumstances should such data include any patient identifiable information including, without limitation, name, all or part of social security number, address, telephone, electronic mail address, birth date, medical record number, prescription number or any other unique identifying number, characteristic or code. The identity of the Affiliate and of the account submitting the data and any association with the data will remain confidential by Amgen. The [DELETED] must be derived from [DELETED] taken immediately before dialysis treatment using any [DELETED] testing method [DELETED], must be reported to the [DELETED], and must be submitted [DELETED] in a format acceptable to Amgen. Handwritten reports are not acceptable; only electronic submission of the data will be accepted; and

(b) [DELETED]: In order for Dialysis Center to be eligible to receive any rebates or incentives described in [DELETED] of this Appendix A, Dialysis Center must satisfy the following qualification requirement. Dialysis Center's aggregate Qualified Purchases of EPOGEN® and Aranesp® during [DELETED] and during [DELETED] by all Affiliates listed on Appendix B on the Commencement Date of this Agreement and all new approved Affiliates (whether by acquisition, to the extent that either Amgen or Dialysis Center can provide adequate data concerning such Affiliates' purchases for the same time period from [DELETED] for [DELETED] and from [DELETED] for [DELETED], or de novo) must equal or exceed [DELETED] (for [DELETED]) and [DELETED] (for [DELETED]) respectively [DELETED], of the aggregate Qualified Purchases of EPOGEN® and Aranesp® by those same Affiliates for the time period from [DELETED], for [DELETED], and from [DELETED] for [DELETED]. For deleted Affiliates, Amgen shall exclude Qualified Purchases by such Affiliates effective from the effective date of their deletion and also during the relevant [DELETED] used for comparison. For purposes of calculating the [DELETED], EPOGEN® and Aranesp® base sales during each applicable time period shall be derived using the [DELETED]. All estimated payments for discounts in arrears that contain [DELETED] will be measured by using a [DELETED] that measures [DELETED]. If Dialysis Center has not satisfied the [DELETED] for any [DELETED], then at the end of the [DELETED], Amgen will determine if Dialysis Center has satisfied, in the aggregate, on a [DELETED], the [DELETED]. If the [DELETED] has been met for that given [DELETED], then Amgen will perform a [DELETED] calculations for [DELETED]. However, if [DELETED] the [DELETED] has not been met for that [DELETED], Amgen will perform a [DELETED], which may [DELETED]. The [DELETED] payments and any other discount or incentive earned in arrears corresponding to the [DELETED], respectively if any, shall not be due and owing until, and shall be subject to, such [DELETED]. [DELETED] will be made [DELETED], within [DELETED] days after the [DELETED] and receipt by Amgen of all the required data detailed in this Agreement. The determination as to Dialysis Center's attainment or failure to attain the [DELETED] shall be based upon the [DELETED].

4. [DELETED]. Dialysis Center may qualify for the [DELETED] during each [DELETED] Measurement Period (as defined in the schedule below) as described in this Section 4 of Appendix A.

[DELETED] Measurement Periods
[DELETED]

(a) Requirement: In order to qualify for the [DELETED] Dialysis Center must meet the [DELETED] contained in [DELETED] of this Appendix A. If this criteria is not met during any [DELETED] during the period [DELETED], Dialysis Center will not qualify for [DELETED] described below in this Section 4 during that [DELETED]. Failure of Dialysis Center to qualify under this provision during a particular [DELETED] shall not affect Dialysis Center's eligibility to qualify during any other [DELETED] during the period [DELETED], nor shall Dialysis Center's qualification during a particular [DELETED] automatically result in qualification during any other [DELETED].

(b) Calculation: Dialysis Center's [DELETED] will be calculated in accordance with the following formula and the [DELETED] Schedule listed below. [DELETED] will be calculated on a [DELETED] basis.

[DELETED] = A x B

where:

A = [DELETED] of EPOGEN® during the period [DELETED] by all Affiliates in the [DELETED] in which the requirements under [DELETED] of this Appendix A are met.
B = A percent in accordance with the [DELETED] Schedule listed below.
C = [DELETED].
D = [DELETED]:

Measurement Period	**[DELETED] Schedule**
[DELETED]	

(c) [DELETED] Schedule. The [DELETED] schedule is as follows:

[DELETED]	

(d) **Payment.** Estimated payments will be made [DELETED] within [DELETED] days using the [DELETED] Schedule above in this Section 4(c), and the [DELETED] will be reconciled [DELETED] days after receipt by Amgen of all actual [DELETED] data for [DELETED] Measurement Period [DELETED].

(e) **Vesting.** Dialysis Center's [DELETED] will vest [DELETED] Measurement Period [DELETED]. In the event the [DELETED] paid to Dialysis Center [DELETED] exceed Dialysis Center's [DELETED] the difference between the [DELETED] and the [DELETED] within [DELETED] days of Dialysis Center's receipt of [DELETED]. In the event Dialysis Center's [DELETED] exceeds the [DELETED] that have been paid to Dialysis Center, [DELETED] difference between the [DELETED] and the [DELETED], within [DELETED] days after the [DELETED] of the [DELETED].

[DELETED]

5. [DELETED]. Throughout the Term of the Agreement Dialysis Center shall be eligible to receive a [DELETED] provided that Dialysis Center provides certain data elements that are transmitted to Amgen electronically. The [DELETED] will be calculated as a percentage of the Qualified Purchases of EPOGEN® attributable to Dialysis Center during the applicable [DELETED]. Failure of Dialysis Center to qualify during a particular [DELETED] shall not affect Dialysis Center's eligibility to qualify during any other [DELETED], nor shall Dialysis Center's qualification during a particular [DELETED] automatically result in qualification during any other [DELETED]. To qualify for the [DELETED], the following [DELETED] must be submitted to Amgen by Dialysis Center and all Affiliates pursuant to Section 15(c) of the Agreement in a machine readable format acceptable to Amgen (Excel; Lotus 123.wk1; or text file that is tab delimited, comma delimited, colon delimited or space delimited), provided, however, that Dialysis Center shall be required to submit such test results only for those dialysis facilities whose test results are actually determined by laboratories owned and operated by Dialysis Center:

Facility ID;
Patient ID (sufficient to consistently track an individual patient without in any way disclosing the identity of the patient);
[DELETED];
[DELETED];
Modality; Hemodialysis ("HD") ID or peritoneal dialysis ("PD") ID (a PD patient shall be defined as a patient who receives at least one (1) peritoneal dialysis treatment during a given month) – [DELETED];
[DELETED] with date [DELETED] and [DELETED];
All [DELETED] and [DELETED] with their corresponding draw dates for each patient by Patient ID;
[DELETED] delivered for each patient per treatment with date (but only for patients of Affiliates using the CRIS or Snappy systems);
[DELETED];
[DELETED];
[DELETED];
[DELETED];
[DELETED];
[DELETED];
[DELETED];
[DELETED];
[DELETED]; and
[DELETED]

(a) For the period [DELETED] through [DELETED], the following [DELETED] shall be added as requirements of the [DELETED]:

[DELETED];
[DELETED];
[DELETED];
[DELETED] delivered for each patient per treatment with date (but only for patients of Affiliates using the CRIS or Snappy systems)

(b) For the period [DELETED] through [DELETED], the following [DELETED] shall be removed as requirements of the [DELETED]:

[DELETED] with their corresponding draw dates for each patient by Patient ID;
[DELETED];
[DELETED] with date [DELETED] and [DELETED];
[DELETED].

Such patient data must be submitted, on a [DELETED] basis, and no later than [DELETED] days after the end of each [DELETED]. Each [DELETED], only the most recent test results will be submitted for each patient, and all or some of those test results may be from that [DELETED] or from [DELETED]. If such patient data is received more than [DELETED] days after the last day of any [DELETED] within a given [DELETED], the total Qualified Purchases of EPOGEN® attributable to Dialysis Center during such [DELETED] will be excluded from the calculation of the [DELETED] for that [DELETED]. Notwithstanding the foregoing, if Amgen receives all required data from a minimum of [DELETED] of all Affiliates within the definition of "Dialysis Center" within the time frame referenced above for any [DELETED] within a given [DELETED], the total Qualified Purchases of EPOGEN® attributable to Dialysis Center and all Affiliates during such [DELETED], will be included in the calculation of the [DELETED] for that [DELETED]. If Amgen receives all required data from less than [DELETED] of all Affiliates within the definition of "Dialysis Center" for any [DELETED] within a given [DELETED], no Qualified Purchases of Dialysis Center during such [DELETED] will be included in the calculation of the [DELETED] for that [DELETED]. However, if Amgen determines that any Affiliate is consistently not submitting the required data, Amgen and Dialysis Center will work collaboratively in resolving such inconsistencies. Amgen will use its best efforts to notify Dialysis Center in writing, no later than [DELETED] after the receipt and acceptance by Amgen of the data, of the identity of all those Affiliates, if any, which have failed to meet the data submission requirements for that [DELETED]. Amgen reserves the right, in its sole discretion, to exclude any consistently non-reporting Affiliate's Qualified Purchases of EPOGEN® from the calculation of the [DELETED] for any relevant [DELETED].

The [DELETED] will vest on the [DELETED] of the [DELETED], and be paid [DELETED] within [DELETED] days after the receipt of complete and machine readable data, in accordance with the terms and conditions described above. Dialysis Center shall have the right, at its own cost and expense, at all times to audit all data and all calculations relevant to the determination of eligibility for and the amount of the [DELETED] to be paid to Dialysis Center hereunder. Notwithstanding the foregoing, payment for any period that is not equivalent to a [DELETED] will be made based on the data that is available for that period.

[DELETED]

6. [DELETED]. The purpose of the [DELETED] is to [DELETED] from Dialysis Center and its Affiliates and received by Amgen, such that the [DELETED] used by both companies are [DELETED]. For the period

[DELETED] Dialysis Center shall be eligible to receive a [DELETED] provided the following requirements below are met. The [DELETED] will be calculated as a percentage of the Qualified Purchases of EPOGEN® attributable to Dialysis Center during each [DELETED].

(a) To qualify for the [DELETED] for the period [DELETED], the following requirements must be met:

i) Dialysis Center must submit, each [DELETED], in a machine readable format acceptable to Amgen (Excel; Lotus 123.wk1; or text file that is tab delimited, comma delimited, colon delimited or space delimited), all identifying information for a facility (e.g. Dialysis Center's account hierarchy for each facility submitted) (the "Facility Reference File"). The Amgen ACIS # must be included in the Facility Reference File for any [DELETED] submissions made on or after [DELETED];

ii) Dialysis Center must notify Amgen no later than [DELETED] days prior to implementing any [DELETED] in the [DELETED] made by Dialysis Center and its Affiliates to Amgen under this Agreement and Amgen may reasonably request modifications to such [DELETED] to ensure [DELETED] of the such [DELETED].

(b) To qualify for the [DELETED] for the period [DELETED], the following additional requirements must be met:

i) Dialysis Center must develop, in conjunction with Amgen, and deliver on or prior to [DELETED], a mutually agreeable [DELETED] following an [DELETED] by Dialysis Center and/or a [DELETED] of Dialysis Center [DELETED];

ii) Dialysis Center and Amgen must mutually agree upon in detail a [DELETED] intended to develop and improve the [DELETED] Dialysis Center and Amgen (the "[DELETED]"). The [DELETED] must be detailed, set forth in writing and attached as an addendum to the contract on or before [DELETED]. The [DELETED] must include detailed [DELETED] on a specific timeline for the period [DELETED]. These [DELETED] and timeline [DELETED] will be used to determine the [DELETED] requirements for earning the [DELETED] for the period [DELETED]. The [DELETED] should include the following as well as other mutually agreed upon [DELETED]:
- [DELETED] to discuss the [DELETED] of each project, with additional [DELETED] as required;
- Develop and deliver a [DELETED] for [DELETED] to include [DELETED];
- Define [DELETED];
- Develop and deliver a [DELETED];
- Develop and deliver a [DELETED];
- Develop and deliver a [DELETED].

(c) To qualify for the [DELETED] for the period [DELETED], Dialysis Center must additionally achieve the [DELETED] goals as set forth in the [DELETED].

The Facility Reference File referenced in this Section 6(a)(i) must be submitted, on a [DELETED] basis, and no later than [DELETED] days after the end of each [DELETED]. If such Facility Reference File is received more than [DELETED] days after the last day of any [DELETED] within a given [DELETED], the total Qualified Purchases of EPOGEN® attributable to Dialysis Center during such [DELETED] will be excluded from the calculation of the [DELETED] for that [DELETED].

The [DELETED] will vest on the [DELETED] of the [DELETED], and be paid [DELETED] within [DELETED] days after the receipt of complete and machine readable data, in accordance with the terms and

conditions described above. Dialysis Center shall have the right, at its own cost and expense, at all times to audit all data and all calculations relevant to the determination of eligibility for and the amount of the [DELETED] to be paid to Dialysis Center hereunder. Notwithstanding the foregoing, payment for any period that is not equivalent to a [DELETED] will be made based on the data that is available for that period.

[DELETED]

7. **[DELETED].** Throughout the Term of the Agreement, Dialysis Center may qualify for the [DELETED] provided it meets the criteria described below in this Section 7. The [DELETED] is designed to improve patient outcomes by encouraging [DELETED]. If the [DELETED] change, then Amgen and Dialysis Center will meet and in good faith seek to mutually agree to modify this Agreement to accommodate any such change, with the intent to [DELETED] of the [DELETED].

(a) Requirements: In order to qualify for the [DELETED], Dialysis Center must [DELETED] of this Appendix A, and Dialysis Center and its Affiliates must provide Amgen the following data items, on a [DELETED] basis, and no later than [DELETED] days after the end of each [DELETED], in a machine readable format acceptable to Amgen (Excel; Lotus 123.wk1; or text file that is tab delimited, comma delimited, colon delimited or space delimited) in accordance with the data submission requirements contained in Section 5 of this Appendix A for the [DELETED] and pursuant to Section 15(c) of the Agreement; provided, however, that Dialysis Center shall be required to submit such test results only for those dialysis facilities whose test results are actually determined by laboratories owned and operated by Dialysis Center: [DELETED] and date, AND [DELETED] with date for each patient by Dialysis Center and its Affiliates. In the event [DELETED] is submitted, instead of [DELETED], Amgen will convert such [DELETED] values to [DELETED] values by [DELETED]. Amgen will convert all lab values taken of [DELETED] for each patient by Dialysis Center and its Affiliates, AND all the lab values taken of [DELETED] for each patient by Dialysis Center and its Affiliates into the [DELETED] for each patient by Dialysis Center and its Affiliates, AND the [DELETED] for each patient by Dialysis Center and its Affiliates for each of the [DELETED] Measurement Periods (as defined in the schedule immediately below). Each [DELETED], only the most recent test results will be submitted for each patient, and all or some of those test results may be from that [DELETED] or from a [DELETED]. Dialysis Center hereby certifies that the data submitted for each eligible Affiliate includes the required results from all dialysis patients of such Affiliate, and does not include results from non-patients. Dialysis Center also represents and warrants that it (i) has no reason to believe that the submitted data is incorrect, and (ii) is authorized to make this certification on behalf of all eligible Affiliates submitting data.

[DELETED] Measurement Periods
[DELETED]

(b) Calculation: Assuming Dialysis Center and Affiliates have fulfilled all requirements as described in Section 7(a) above, to qualify for the [DELETED], Dialysis Center must achieve [DELETED] in the [DELETED], as that term is defined below, from the [DELETED], as that term is defined below, during each [DELETED] Measurement Period, and such [DELETED] shall be defined as [DELETED].

For purposes of this Section 7, [DELETED] shall mean the [DELETED] for each patient by Dialysis Center and its Affiliates AND the [DELETED] for each patient by Dialysis Center and its Affiliates during the period [DELETED]; and [DELETED] shall mean the [DELETED] for each patient by Dialysis Center and its Affiliates AND the [DELETED] for each patient by Dialysis Center and its Affiliates for each of the above referenced [DELETED] Measurement Periods.

Using the [DELETED] described above, the [DELETED] will be calculated as the percentage of patients within the [DELETED], by [DELETED], as shown below:

[DELETED]

Using the [DELETED] described above, which shall be calculated on a [DELETED] basis the [DELETED] for each [DELETED] Measurement Period will be calculated as the [DELETED], by [DELETED], as shown below:

[DELETED]

The [DELETED] shall then be calculated by [DELETED], as shown below:

[DELETED]

The [DELETED] Rebate will be calculated on a [DELETED] in accordance with Amgen's discount calculation policies. Following determination of the [DELETED], Amgen shall then calculate Dialysis Center's [DELETED] Rebate in accordance with the following formula and the rebate table listed below.

[DELETED] Rebate = A X B

Where:

A = [DELETED] of EPOGEN® during the relevant [DELETED] Measurement Period.

B = A percent determined from [DELETED] in accordance with the schedule below.

C = [DELETED]

D = [DELETED]

[DELETED] Measurement Rebate Table

Measurement Period	**[DELETED] (C)**	**Rebate Percent (B)**
	[DELETED]	

* Notwithstanding anything contained herein to the contrary, the maximum rebate percent payable for [DELETED] Measurement Period 4 shall not exceed [DELETED] and for [DELETED] Measurement Period 5, 6, 7, and 8 shall not exceed [DELETED] under this [DELETED] program.

(c) Payment: The [DELETED] will be calculated and paid to Dialysis Center on a [DELETED] basis. Failure of Dialysis Center to qualify during a particular [DELETED] shall not affect Dialysis Center's eligibility to qualify during any other [DELETED], nor shall Dialysis Center's qualification during a particular [DELETED] automatically result in qualification during any other [DELETED]. Payment is contingent upon receipt by Amgen of all required Data for the corresponding [DELETED] (including the [DELETED]). Such data must be submitted, on a [DELETED] basis, and no later than [DELETED] days after the end of each [DELETED]. If such data is received more than [DELETED] days after the [DELETED] within a given [DELETED], the total Qualified Purchases of EPOGEN® attributable to Dialysis Center during such [DELETED] will be excluded from the calculation of the [DELETED] for that [DELETED]. Notwithstanding the foregoing, if Amgen receives all required data from a minimum of [DELETED] of all Affiliates within the definition of "Dialysis Center" within the time frame referenced above for any [DELETED] within a given [DELETED], the total Qualified Purchases of EPOGEN® attributable to Dialysis Center and all Affiliates during such [DELETED], will be included in the calculation of the [DELETED] for that [DELETED]. If Amgen receives all required complete and machine readable data from less than [DELETED] of all Affiliates within the definition of "Dialysis Center" for any [DELETED] within a given [DELETED], no Qualified Purchases of Dialysis Center during such [DELETED] will be included in the calculation of the [DELETED] for that [DELETED]. However, if Amgen determines that any Affiliate is consistently not submitting the required data, Amgen and Dialysis Center will work collaboratively in resolving such inconsistencies. Amgen will use its best efforts to notify Dialysis Center in writing, no later than [DELETED] after the receipt and acceptance by Amgen of the data, of the identity of all those Affiliates, if any, which have failed to meet the data submission requirements for that [DELETED]. Amgen reserves the right, in its sole discretion, to exclude any consistently non-reporting Affiliate's Qualified Purchases of EPOGEN® from the calculation of the [DELETED] for any relevant [DELETED]. Notwithstanding the forgoing, payment for any period that is not equivalent to a complete [DELETED] will be based on the data that is available for that period.

The [DELETED] discount will vest on the [DELETED] of the [DELETED], and be paid [DELETED] within [DELETED] days after the receipt of data, in accordance with the terms and conditions described above. Dialysis Center shall have the right, at its own cost and expense, at all times to audit all data and all calculations relevant to the determination of eligibility for and the amount of the [DELETED] to be paid to Dialysis Center hereunder.

[DELETED]

8. [DELETED]. Throughout the Term of the Agreement, Dialysis Center may qualify for the [DELETED] provided it meets the criteria described below in this Section 8. The [DELETED] is designed to improve patient outcomes. If Dialysis Center [DELETED] or otherwise [DELETED], the parties shall [DELETED].

i) Requirements: In order to qualify for the [DELETED], Dialysis Center must [DELETED] of this Appendix A, and Dialysis Center [DELETED], as that term is defined below, of [DELETED]. Dialysis Center must provide Amgen the [DELETED], on a [DELETED] basis, and no later than [DELETED] days after the end of [DELETED], in a format acceptable to Amgen.

ii) Calculation: Assuming Dialysis Center has fulfilled all requirements as described in Section 8(a) above, to qualify for the [DELETED], Dialysis Center must achieve, on a [DELETED] basis an [DELETED]. The [DELETED] shall be based upon [DELETED]. For purpose of calculating the [DELETED] for each applicable [DELETED], Dialysis Center shall use [DELETED] for each patient, [DELETED] in accordance with the [DELETED], and, in all other material respects, consistent with the [DELETED] currently employed by Dialysis Center. For each [DELETED]

will be [DELETED] depending on the [DELETED], in accordance with the [DELETED]. The [DELETED] is a [DELETED] of the [DELETED]. The [DELETED] will be calculated as the [DELETED] based on [DELETED] for all patients treated at Dialysis Center and its Affiliates during each applicable [DELETED], in accordance with the [DELETED] listed below:

[DELETED] Schedule

	[DELETED]	

* All [DELETED] shall be counted [DELETED].

** [DELETED].

2 [DELETED]

3 [DELETED].

The [DELETED] will be calculated on a [DELETED] basis in accordance with Amgen's discount calculation schedules. Following the submission of the [DELETED] by Dialysis Center, Amgen shall then calculate Dialysis Center's [DELETED] in accordance with the following formula and the incentive table listed below:

[DELETED] = A X B

Where:

A = [DELETED] of EPOGEN® during the relevant [DELETED].

B = A percent in accordance with the [DELETED].

C = [DELETED]

D = [DELETED]

[DELETED] Rebate Schedule

[DELETED]	

*Notwithstanding anything contained herein to the contrary, the maximum rebate percent payable for [DELETED] shall not exceed [DELETED] and the maximum rebate percent payable for any [DELETED] shall not exceed [DELETED] under this [DELETED] program.

iii) Payment: The [DELETED] will be calculated and paid to Dialysis Center on a [DELETED] basis. Payment for each applicable [DELETED] is contingent upon receipt and verification by Amgen of the [DELETED] for the applicable [DELETED]. The [DELETED] must be submitted, on a [DELETED] basis, and no later than [DELETED] days after the end of each [DELETED]. If the [DELETED] is received more than [DELETED] days after the [DELETED] of any given [DELETED], the total Qualified Purchases of EPOGEN® attributable to Dialysis Center during such [DELETED] will be

excluded from the calculation of the [DELETED] for that [DELETED]. Failure of Dialysis Center to qualify during a particular [DELETED] shall not affect Dialysis Center's eligibility to qualify during any other [DELETED], nor shall Dialysis Center's qualification during a particular [DELETED] automatically result in qualification during any other [DELETED]. Notwithstanding the foregoing, payment for any period that is not equivalent to a complete [DELETED] will be made based on the data that is available for that period.

The [DELETED] discount will vest on the last day of the corresponding [DELETED], and be paid [DELETED] within [DELETED] days after the receipt of complete and machine readable data, in accordance with the terms and conditions described above. Dialysis Center shall have the right, at its own cost and expense, at all times to audit all data and all calculations relevant to the determination of eligibility for and the amount of the [DELETED] to be paid to Dialysis Center hereunder.

[DELETED]

9. [DELETED]. Dialysis Center may [DELETED] for the [DELETED] as described below.

(a) Amgen has elected to [DELETED] to be [DELETED] by Dialysis Center throughout the Term of this Agreement [DELETED]. Dialysis Center may, from time to time and in its sole discretion, establish or alter the [DELETED]. In consideration for the [DELETED], and to receive all of the [DELETED] generally accorded by Dialysis Center to all [DELETED], Amgen will provide to Dialysis Center [DELETED] to Dialysis Center during the period [DELETED]. Dialysis Center or its Authorized Wholesalers shall provide to Amgen, within [DELETED] days following the [DELETED], documentation regarding [DELETED] to Dialysis Center during the [DELETED]. [DELETED] to Dialysis Center in the [DELETED] within [DELETED] days following the end of the [DELETED]. Such [DELETED] immediately upon the conclusion of the [DELETED].

(b) Amgen may elect to [DELETED] that may be [DELETED] from time to time by Dialysis Center during the Term of the Agreement, in addition to the [DELETED], on such additional terms and conditions as shall generally apply to [DELETED]. [DELETED] Amgen of a [DELETED] under this Section shall not entitle Amgen to [DELETED] in any such [DELETED].

(c) [DELETED]

(d) Amgen hereby acknowledges receipt of a copy of Dialysis Center's current [DELETED] and [DELETED], and agrees to be bound by the terms thereof. Dialysis Center agrees that, except as provided in the [DELETED], none of its agents, representatives or employees ("Agents") shall otherwise [DELETED] Amgen for any other [DELETED], for Dialysis Center or any of its agents or facilities, whether [DELETED], at any [DELETED] or pursuant to any other [DELETED]. Amgen acknowledges and agrees that, except as provided in the [DELETED], it shall not [DELETED] any such other [DELETED] to Dialysis Center, its Agents, or its facilities.

10. [DELETED]. For the period [DELETED], Dialysis Center may qualify for an [DELETED] as outlined below.

(a) Calculation:

[DELETED] = A x B

where

A = [DELETED] of EPOGEN® for the [DELETED].
B = [DELETED]

(b) Payment and Vesting: The [DELETED] will vest on the [DELETED] day of the [DELETED] and will be paid within [DELETED] days after the [DELETED] day of the [DELETED].

Appendix B: List of Dialysis Center Affiliates

Please refer to attached list of affiliates.

Appendix C: List of Authorized Wholesalers

To ensure Dialysis Center receives the appropriate discount, it is important Amgen receives Dialysis Center's current list of Authorized Wholesalers. The following list represents the Wholesalers Amgen currently has associated with Dialysis Center's contract. Please update the list by adding or deleting Wholesalers as necessary.

AMERICAN MEDICAL DISTRIBUTORS, INC.
SUBSIDIARY OF BELLCO DRUG CORPORATION
100 NEW HIGHWAY
AMITYVILLE, NY 11701

AMERISOURCE CORPORATION
100 FRIARS LANE
THOROFARE, NJ 08086

ASD SPECIALTY HEALTHCARE
SUBSIDIARY OF BERGEN BRUNSWIG DRUG CO.
4006 BELTLINE ROAD, SUITE 200, LB-21
ADDISION, TX 75001

BERGEN BRUNSWIG DRUG COMPANY
4000 METROPOLITAN DRIVE
ORANGE, CA 92868

HENRY SCHEIN INCORPORATED
135 DURYEA ROAD
MELVILLE, NY 11747

METRO MEDICAL SUPPLY, INC.
1911 CHURCH STREET
NASHVILLE, TN 37023

PRIORITY HEALTHCARE CORPORATION
CHARISE CHARLES DIVISION
250 TECHNOLOGY PARK, SUITE 124
LAKE MARY, FL 32746

Center Name	Address	City	ST	Zip
ACUTE DIALYSIS	UNITED HOSPITAL 333 N SMITH AVE	MINNEAPOLIS	MN	55404
ALHAMBRA DIALYSIS	1315 ALHAMBRA BLVD STE 100	SACRAMENTO	CA	95816
ALTUS DIALYSIS CENTER	205 S PARK LN STE 130	ALTUS	OK	73521
ANTELOPE DIALYSIS CENTER	6406 TUPELO DR STE A	CITRUS HEIGHTS	CA	95621
ANTIOCH DIALYSIS CENTER	3100 DELTA FAIR BLVD	ANTIOCH	CA	94509
APHERISIS ACUTE	825 S EIGHTH ST STE 400	MINNEAPOLIS	MN	55404
APPOMATTOX DIALYSIS	15 WEST OLD ST	PETERSBURG	VA	23803
ARCADIA DIALYSIS CENTER	1341 E OAK ST	ARCADIA	FL	34266
ARDEN HILLS DIALYSIS UNIT	3900 NORTHWOODS DR STE 110	ARDEN HILLS	MN	55112
ARVADA DIALYSIS CENTER	9950 W 80TH AVE STE 25	ARVADA	CO	80005
ASHEVILLE ACUTE	10 MCDOWELL ST	ASHEVILLE	NC	28801
ASHEVILLE KIDNEY CENTER	10 MCDOWELL ST	ASHEVILLE	NC	28801
ATLANTIC ARTIFICIAL KIDNEY CENTER	6 INDUSTRIAL WAY W STE B	EATONTOWN	NJ	7724
ATLANTIC CITY DIALYSIS CENTER	2720 ATLANTIC AVE	ATLANTIC CITY	NJ	8401
ATLANTIC DIALYSIS	1500 EAST 10TH STREET	ATLANTIC	IA	50022
AURORA DIALYSIS CENTER	1411 S POTOMAC AMC II STE 100	AURORA	CO	80012
AUSTIN ACUTES	2800 INTERSTATE HWY 35 STE 120	AUSTIN	TX	78704
BAKER PLACE DIALYSIS	5084 AMES AVENUE	OMAHA	NE	68104
BAKERS FERRY DIALYSIS	3645 BAKERS FERRY RD	ATLANTA	GA	30331
BALTIMORE COUNTY DIALYSIS CENTER	9635-A LIBERTY RD STE 100	RANDALLSTOWN	MD	21133
BARDSTOWN DIALYSIS CENTER	210 WEST JOHN FITCH AVE	BARDSTOWN	KY	40004
BATTLE CREEK ACUTE PROGRAM	300 NORTH AVENUE ROOM 2211	BATTLE CREEK	MI	49017
BATTLE CREEK DIALYSIS	220 GOODALE AVENUE	BATTLE CREEK	MI	49015
BAY AREA DIALYSIS CENTER	1101 9TH ST N	ST PETERSBURG	FL	33701
BAY BREEZE DIALYSIS	11465 ULMERTON RD	LARGO	FL	33778
BAYONET POINT HUDSON KIDNEY CENTER	14144 NEPHRON LN	HUDSON	FL	34667
BELCARO DIALYSIS CENTER	755 COLORADO BOULEVARD	DENVER	CO	80246
BELLEVUE COMMUNITY DIALYSIS CENTER	3535 FACTORIA BLVD SE SUITE 150	BELLEVUE	WA	98006
BERLIN DIALYSIS CENTER	314 FRANKLIN AVE STE 306	BERLIN	MD	21811
BERTHA SIRK DIALYSIS CENTER	5820 YORK ROAD STE 10	BALTIMORE	MD	21212
BEVERLY HILLS DIALYSIS CENTER	8762 W PICO BLVD	LOS ANGELES	CA	90035
BLOOMINGTON DIALYSIS UNIT OF TRC	8591 LYNDALE AVE S	BLOOMINGTON	MN	55420
BLUFF CITY DIALYSIS CENTER	2400 LUCY LEE PARKWAY STE E	POPLAR BLUFF	MO	63901
BOCA RATON ARTIFICIAL KIDNEY CENTER	998 NW 9TH COURT	BOCA RATON	FL	33486
BOGALUSA ACUTE DIALYSIS	2108 SOUTH AVENUE F	BOGALUSA	LA	70427
BOGALUSA KIDNEY CARE	2108 SOUTH AVE F	BOGALUSA	LA	70427
BOSTON POST ROAD DIALYSIS CENTER	4026 BOSTON POST RD	BRONX	NY	10466
BOULDER DIALYSIS CENTER	2880 FOLSOM DR STE 110	BOULDER	CO	80304
BREA DIALYSIS CENTER	595 TAMARACK AVE STE A	BREA	CA	92821
BRICKTOWN DIALYSIS CENTER	525 JACK MARTIN BLVD 2ND FL	BRICKTOWN	NJ	8724
BRIDGEWATER DIALYSIS CENTER	2121 ROUTE 22 W	BOUND BROOK	NJ	8805
BRIGHTON	4700 EAST BROMLEY LANE SUITE 103	BRIGHTON	CO	80601
BRIGHTON DIALYSIS	7960 WEST GRAND RIVER STE 210	BRIGHTON	MI	48114
BROKEN ARROW DIALYSIS CENTER	601 S ASPEN	BROKEN ARROW	OK	74012
BRONX DIALYSIS CENTER	1615 EASTCHESTER RD	BRONX	NY	10461
BROOKHOLLOW DIALYSIS	4918 W 34TH ST	HOUSTON	TX	77092
BUENA VISTA DIALYSIS	347 HWY 41 N PO BOX 679	BUENA VISTA	GA	31803
BURLINGTON DIALYSIS	873 HEATHER RD	BURLINGTON	NC	27215
BURNSVILLE DIALYSIS UNIT	303 E NICOLLET BLVD STE 363	BURNSVILLE	MN	55337
CAMBRIDGE	300 BYRN STREET	CAMBRIDGE	MD	21613
CAMELBACK DIALYSIS CENTER	7321 E OSBORN DR	SCOTTSDALE	AZ	85251
CAMP HILL DIALYSIS CENTER	425 N 21ST ST PLAZA 21 BLDG 1ST FL	CAMP HILL	PA	17011
CAPITAL CITY DIALYSIS	307 NORTH 46TH STREET	LINCOLN	NE	68503
CARROLL COUNTY DIALYSIS FACILITY	412 MALCOLM DR STE 310	WESTMINSTER	MD	21157
CASS LAKE DIALYSIS FACILITY	602 GRANT UTLEY PO BOX 757	CASS LAKE	MN	56633
CATSKILL ACUTE	68 BUSHVILLE ROAD	HARRIS	NY	12760
CATSKILL DIALYSIS CENTER	139 FORESTBURGH RD	MONTICELLO	NY	12701

Center Name	Address	City	ST	Zip
CELEBRATION DIALYSIS	1154 CELEBRATION BLVD	CELEBRATION	FL	34747
CELIA DILL DIALYSIS CENTER	BARNS OFFICE CENTER 667 STONLEIGH AVE STE 206	CARMEL	NY	10512
CENTER FOR KIDNEY DISEASE AT NORTH SHORE DIALYSIS	1190 NW 95TH ST STE 208	MIAMI	FL	33150
CENTER FOR KIDNEY DISEASE AT VENTURE	16855 NE 2ND AVE STE 205	N MIAMI BEACH	FL	33162
CENTRAL CITY DIALYSIS	1300 MURCHISON DRIVE SUITE 320	EL PASO	TX	79902
CENTRAL DES MOINES DIALYSIS	1215 PLEASANT STREET SUITE 106	DES MOINES	IA	50309
CENTRAL TULSA ACUTE	1124 S ST LOUIS	TULSA	OK	74120
CENTRAL TULSA DIALYSIS CENTER	1124 S ST LOUIS AVENUE	TULSA	OK	74120
CENTRAL TULSA PD	1124 S ST LOUIS	TULSA	OK	74120
CHADBOURN DIALYSIS CENTER	210 E STRAWBERRY BLVD	CHADBOURN	NC	28431
CHEROKEE DIALYSIS CENTER	53 ECHOTA CHURCH RD	CHEROKEE	NC	28719
CHESAPEAKE DIALYSIS CENTER	1400 CROSSWAYS BLVD CROSSWAYS II STE 106	CHESAPEAKE	VA	23320
CHESTERTOWN DIALYSIS CENTER	KENT AND QUEEN ANNE'S HOSPITAL 100 BROWN ST	CHESTERTOWN	MD	21620
CHICAGO HEIGHTS DIALYSIS	177 B WEST JOE ORR ROAD	CHICAGO HEIGHTS	IL	60411
CHICO DIALYSIS CENTER	530 COHASSET RD	CHICO	CA	95926
CHINLE DIALYSIS	US HWY 191 PO BOX 879	CHINLE	AZ	86503
CHURCHVIEW DIALYSIS CENTER	5970 CHURCHVIEW DR	ROCKFORD	IL	61107
CIELO VISTA DIALYSIS	7200 GATEWAY BLVD STE B	EL PASO	TX	79915
CINCINNATI DIALYSIS CENTER	815 EASTGATE DR S	CINCINNATI	OH	45245
CITRUS VALLEY DIALYSIS	894 HARDT STREET	SAN BERNADINO	CA	92408
CKC DIALYSIS	4350 DEWEY AVENUE 5TH FLOOR	OMAHA	NE	68198
CLAREMORE DIALYSIS CENTER	202 E BLUE STARR DR	CLAREMORE	OK	74017
CLARKSTON DIALYSIS	6770 DIXIE HWY STE 205	CLARKSTON	MI	48346
CLEVELAND DIALYSIS CENTER	CROLEY CENTER 600 E HOUSTON STE 630	CLEVELAND	TX	77327
CLINTON DIALYSIS CENTER	150 SOUTH 31ST ST	CLINTON	OK	73601
COASTAL KIDNEY CENTERS LLC	510 N MACARTHUR AVE	PANAMA CITY	FL	32401
COLUMBUS ACUTE	6228 BRADLEY PARK DR STE B	COLUMBUS	GA	31904
COLUMBUS DIALYSIS	6228 BRADLEY PARK DR STE B	COLUMBUS	GA	31904
COMMERCE CITY DIALYSIS	6320 HOLLY ST	COMMERCE CITY	CO	80022
COMMUNITY HEMO-SAN FRANCISCO	1800 HAIGHT ST	SAN FRANCISCO	CA	94117
COMPLETE DIALYSIS CARE	7850 W SAMPLE RD	CORAL SPRINGS	FL	33065
COMPLETE DIALYSIS CARE-SOUTH	111 SW 23RD ST STE D	FORT LAUDERDALE	FL	33315
COMPREHENSIVE RENAL CARE-EAST CHICAGO	4320 FIR ST STE 404	EAST CHICAGO	IN	46312
COMPREHENSIVE RENAL CARE-GARY	4802 BROADWAY	GARY	IN	46408
COMPREHENSIVE RENAL CARE-HAMMOND	222 DOUGLAS ST	HAMMOND	IN	46320
COMPREHENSIVE RENAL CARE-MICHIGAN CITY	120 DUNES PLAZA	MICHIGAN CITY	IN	46360
COMPREHENSIVE RENAL CARE-MUNSTER	8317 CALUMET AVE STE A	MUNSTER	IN	46321
COMPREHENSIVE RENAL CARE-VALPARAISO	606 E LINCOLNWAY	VALPARAISO	IN	46383
CONCORD	2300 STANWELL DRIVE SUITE C	CONCORD	CA	94520
CONEY ISLAND DIALYSIS CENTER	26 BRIGHTON 11TH ST	BROOKLYN	NY	11235
CONROE DIALYSIS CENTER	500 MEDICAL PLAZA STE 175	CONROE	TX	77304
CONTINENTAL DIALYSIS—ALEXANDRIA	5999 STEVENSON AVE STE 100	ALEXANDRIA	VA	22304
CONTINENTAL DIALYSIS—WOODBRIDGE	2751 KILLARNEY DR	WOODBRIDGE	VA	22192
COON RAPIDS DIALYSIS UNIT	3960 COON RAPIDS BLVD STE 314	COON RAPIDS	MN	55433
COPPERFIELD DIALYSIS	1030 VINEHAVEN DRIVE	CONCORD	NC	28025
CORONA DIALYSIS CENTER	1820 FULLERTON AVE STE 180	CORONA	CA	92881
CORTEZ DIALYSIS CENTER	610 E MAIN STE C	CORTEZ	CO	81321
COVINA DIALYSIS	1547 WEST GARVEY AVE	WEST COVINA	CA	91790
CREEKSIDE DIALYSIS CENTER	141 PARKER ST	VACAVILLE	CA	95688

Center Name	Address	City	ST	Zip
CRESCENT CITY DIALYSIS CENTER	3909 BIENVILLE STE 1B	NEW ORLEANS	LA	70119
CRESCENT HEIGHTS DIALYSIS CENTER	8151 BEVERLY BLVD	LOS ANGELES	CA	90048
CRESTON DIALYSIS	1700 WEST TOWNLINE STREET	CRESTON	IA	50801
CRESTWOOD DIALYSIS	9901 WATSON ROAD	ST LOUIS	MO	63126
CROSSROADS DIALYSIS	3214 YORBA LINDA BLVD	FULLERTON	CA	92831
CRYSTAL CITY DIALYSIS CENTER	JEFFERSON MEMORIAL HOSPITAL HWY 61 AND I-55	CRYSTAL CITY	MO	63019
CRYSTAL RIVER DIALYSIS	7435 W GULF TO LAKE HWY	CRYSTAL RIVER	FL	34429
CUERO KIDNEY DIALYSIS CENTER	111 EAST ALEXANDER	CUERO	TX	77954
CYFAIR DIALYSIS CENTER	9110 JONES RD STE 110	HOUSTON	TX	77065
DALLAS NORTH DIALYSIS	11886 GREENVILLE AVENUE SUITE 100B	DALLAS	TX	75243
DAVISON DIALYSIS	1011 S STATE ST	DAVISON	MI	48423
DAVITA PRISON DIALYSIS SERVICES	3501 COFFEE RD STE 3	MODESTO	CA	95355
DECATUR DIALYSIS	1987 CANDLER RD	DECATUR	GA	30032
DEERFIELD BEACH ARTIFICIAL KIDNEY CENTER	1983 W HILLSBORO BLVD	DEERFIELD BEACH	FL	33442
DEKALB DIALYSIS CENTER	8 HEALTH SERVICES DR SUITE C	DEKALB	IL	60115
DEL RAY ARTIFICIAL KIDNEY CENTER	16244 S MILITARY TRAIL STE 110	DELRAY BEACH	FL	33484
DELTA SIERRA DIALYSIS CENTER	555 W BENJAMIN HOLT DR STE 200	STOCKTON	CA	95207
DENISON DIALYSIS CENTER	1220 REBA MCENTIRE LANE	DENISON	TX	75020
DENVER ACUTE	3247 S LINCOLN ST	ENGLEWOOD	CO	80110
DENVER DIALYSIS CENTER	1719 E 19TH AVE FIRST FLOOR BUILDING C	DENVER	CO	80218
DES MOINES ACUTE PROGRAM	1215 PLEASANT STREET SUITE 100	DES MOINES	IA	50309
DESERT MOUNTAIN DIALYSIS	9220 E MOUNTAIN VIEW RD STE 105	SCOTTSDALE	AZ	85258
DESERT RIDGE DIALYSIS	8573 EAST PRINCESS DRIVE SUITE 111	SCOTTSDALE	AZ	85255
DESERT VALLEY ACUTE DIALYSIS	7321 E OSBORN DR	SCOTTSDALE	AZ	85251
DETROIT DIALYSIS	2674 E JEFFERSON AVE	DETROIT	MI	48207
DIAL U IN N MECKLENBERG AT HOME	9030 GLENWATER DRIVE	CHARLOTTE	NC	28262
DIALYSIS ASSOCIATES OF THE PALM BEACHES	2611 POINSETTIA AVE	WEST PALM BEACH	FL	33407
DIALYSIS BY CONTRACT	32930 ALVARADO NILES RD SUITE 340	UNION CITY	CA	94587
DIALYSIS CARE OF ANSON COUNTY	923 EAST CASWELL ST	WADESBORO	NC	28170
DIALYSIS CARE OF EDGECOMB COUNTY	3206 WESTERN BLVD	TARBORO	NC	27886
DIALYSIS CARE OF FRANKLIN COUNTY	1706 HWY 39 N	LOUISBURG	NC	27549
DIALYSIS CARE OF HOKE COUNTY	403 S MAIN ST	RAEFORD	NC	28376
DIALYSIS CARE OF MARTIN COUNTY	100 MEDICAL DR	WILLIAMSTON	NC	27892
DIALYSIS CARE OF MECKLENBERG COUNTY	3515 LATROBE DR	CHARLOTTE	NC	28211
DIALYSIS CARE OF MECKLENBERG/ UNIVERSITY	9030 GLENWATER DR	CHARLOTTE	NC	28262
DIALYSIS CARE OF MONTGOMERY COUNTY	318 N MAIN ST	TROY	NC	27371
DIALYSIS CARE OF MOORE COUNTY	16 REGIONAL DR	PINEHURST	NC	28374
DIALYSIS CARE OF MOORE COUNTY AT HOME	16 REGIONAL DRIVE	PINEHURST	NC	28374
DIALYSIS CARE OF RICHMOND COUNTY	771 CHAERAW HWY	HAMLET	NC	28345
DIALYSIS CARE OF ROCKINGHAM COUNTY	251 W KINGS HWY	EDEN	NC	27288
DIALYSIS CARE OF ROWAN COUNTY	1406-B W INNES ST	SALISBURY	NC	28144
DIALYSIS CARE OF ROWAN COUNTY—KANNAPOLIS	1607 N MAIN ST	KANNAPOLIS	NC	28081
DIALYSIS CARE OF RUTHERFORD COUNTY	226 COMMERCIAL DR	FOREST CITY	NC	28043
DIALYSIS CARE OF WAYNE COUNTY	2403 WAYNE MEMORIAL DR	GOLDSBORO	NC	27534
DIALYSIS CENTER OF MIDDLE GEORGIA—MACON	747 SECOND ST	MACON	GA	31201
DIALYSIS CENTER OF MIDDLE GEORGIA—WARNER ROBINS	509 N HOUSTON RD	WARNER ROBINS	GA	31093

Center Name	Address	City	ST	Zip
DIALYSIS CENTER OF OXFORD COURT	930 TOWN CENTER DR STE G-100	LANGHORNE	PA	19047
DIALYSIS SYSTEMS OF COVINGTON	210 GREENBRIAR BLVD	COVINGTON	LA	70433
DIALYSIS SYSTEMS OF HAMMOND	2570 SW RAILROAD AVE STE A-2	HAMMOND	LA	70403
DIALYSIS TREATMENT CENTERS OF MACON	745 PINE ST	MACON	GA	31201
DIAMOND VALLEY DIALYSIS	1030 EAST FLORIDA AVE	HEMET	CA	92543
DIXON KIDNEY CENTER	1131 NORTH GALENA AVENUE	DIXON	IL	61021
DNVO-CANTON—MI	36588 FORD ROAD	WESTLAND	MI	48185
DNVO-LIFELINE—ANN ARBOR	3850 RESEARCH PARK DR	ANN ARBOR	MI	48108
DOCTORS DIALYSIS OF EAST LA	950 SOUTH EASTER AVENUE	LOS ANGELES	CA	90022
DOCTORS DIALYSIS OF MONTEBELLO	1721 W WHITTIER BLVD	MONTEBELLO	CA	90640
DOWN RIVER KIDNEY CENTER	5600 ALLEN RD	ALLEN PARK	MI	48101
DOWNEY DIALYSIS CENTER	8630 FLORENCE AVE STE 101	DOWNEY	CA	90240
DOWNTOWN DIALYSIS CENTER	821 N EUTAW STE 401	BALTIMORE	MD	21201
DOWNTOWN HOUSTON	2207 CRAWFORD STREET	HOUSTON	TX	77002
DULANEY TOWSON DIALYSIS CENTER	113 WEST RD STE 201	TOWSON	MD	21204
DUNCAN DIALYSIS CENTER	2645 W ELK	DUNCAN	OK	73533
DURANT	411 WESTSIDE DRIVE	DURANT	OK	74701
DYKER HEIGHTS DIALYSIS CENTER	1435 86TH ST	BROOKLYN	NY	11228
EAGAN DIALYSIS	2750 BLUE WATER RD SUITE 300	EAGAN	MN	55121
EAST AURORA DIALYSIS	482 S CHAMBERS RD	AURORA	CO	80017
EAST BAY PERITONEAL DIALYSIS CENTER	13939 E 14TH ST STE 110	SAN LEANDRO	CA	94578
EAST END DIALYSIS CENTER	2201 E MAIN ST STE 100	RICHMOND	VA	23223
EAST FORT LAUDERDALE DIALYSIS CENTER	1301 SOUTH ANDREWS AVE STE 101	FT LAUDERDALE	FL	33315
EAST GEORGIA DIALYSIS	450 GEORGIA AVENUE SUITE A	STATESBORO	GA	30458
EAST MACON DIALYSIS CENTER	750 BACONSFIELD DR STE 103	MACON	GA	31211
EAST ST LOUIS DIALYSIS CENTER	129 N EIGHTH ST 3RD FL	EAST ST LOUIS	IL	62201
EAST WICHITA DIALYSIS CENTER	320 N HILLSIDE	WICHITA	KS	67214
EASTERN KENTUCKY DIALYSIS	167 WEDDINGTON BRANCH ROAD	PIKESVILLE	KY	41501
EASTMONT DIALYSIS	6955 FOOTHILL BOULEVARD	OAKLAND	CA	94605
EASTON DIALYSIS CENTER	402 MARVEL CT	EASTON	MD	21601
EASTPOINT DIALYSIS CENTER	2669 CHURCH ST	EAST POINT	GA	30344
EATON CANYON DIALYSIS	2551 E WASHINGTON BLVD	PASADENA	CA	91107
ECMC DIALYSIS CENTER AT CLEVE-HILL	1461 KENSINGTON AVE	BUFFALO	NY	14215
EDEN PRAIRIE	14852 SCENIC HEIGHTS ROAD BLDG B STE 255	EDEN PRAIRIE	MN	55344
EDINA DIALYSIS CENTER	6550 YORK AVE S STE 100	EDINA	MN	55435
EDMOND DIALYSIS CENTER	50 S BAUMANN AVE	EDMOND	OK	73034
EL MILAGRO DIALYSIS UNIT	2800 S INTERSTATE HWY 35 STE 120	AUSTIN	TX	78704
ELBERTON DIALYSIS CENTER	894 ELBERT STREET	ELBERTON	GA	30635
ELBERTON-WASHINGTON ACUTES	4-B COLLEGE PLAZA RAIR RD	STATESBORO	GA	30458
ELK CITY DIALYSIS CENTER	1710 W THIRD STE 101	ELK CITY	OK	73644
ELK GROVE DIALYSIS	9281 OFFICE PARK CIRCLE	ELK GROVE	CA	95758
ELK RIVER KIDNEY CENTER	216 SOUTH BRIDGE ST	ELKTON	MD	21921
ELLIJAY DIALYSIS	91 SOUTHSIDE CHURCH ST	ELLIJAY	GA	30540
ELMBROOK KIDNEY CENTER	7920 ELMBROOK STE 108	DALLAS	TX	75247
ENGLEWOOD DIALYSIS CENTER	3247 S LINCOLN ST	ENGLEWOOD	CO	80110
EXTON DIALYSIS CENTER	710 SPRINGDALE DR	EXTON	PA	19341
FAIR OAKS	ONE PENDER BUSINESS PARK 3955 PENDER DRIVE	FAIRFAX	VA	22030
FAIRFIELD DIALYSIS CENTER	604 EMPIRE ST	FAIRFIELD	CA	94533
FAIRVIEW ACUTE	825 S EIGHTH ST STE 400	MINNEAPOLIS	MN	55404
FARIBAULT DIALYSIS UNIT	201 S LYNDALE AVE STE F	FARIBAULT	MN	55021
FEDERAL WAY COMMUNITY DIALYSIS CENTER	1109 S 348TH ST	FEDERAL WAY	WA	98003
FEDERAL WAY COMMUNITY DIALYSIS CENTER PD	1105 S 348TH STREET SUITE B104	FEDERAL WAY	WA	98003
FIRST LANDING DIALYSIS	1745 CAMELOT DR STE 100	VIRGINIA BEACH	VA	23454
FLAMINGO PARK KIDNEY CENTER INC	901 E 10TH AVE BAY 17	HIALEAH	FL	33010
FLINT ACUTE DIALYSIS	ONE HURLEY PLAZA ROOM 5A	FLINT	MI	48503

Center Name	Address	City	ST	Zip
FLINT DIALYSIS AT HOME	TWO HURLEY PLAZA STE 114	FLINT	MI	48503
FLINT DIALYSIS CENTER	TWO HURLEY PLAZA STE 115	FLINT	MI	48503
FLORIN DIALYSIS CENTER	7000 STOCKTON BLVD	SACRAMENTO	CA	95823
FLUSHING DIALYSIS	3469 PIERSON PLACE STE A	FLUSHING	MI	48433
FOREST LAKE DIALYSIS UNIT	FOREST LAKE PROFESSIONAL BLDG 1068 S LAKE ST STE 110	FOREST LAKE	MN	55025
FOREST PARK DIALYSIS CENTER	380 FOREST PARKWAY STE C	FOREST PARK	GA	30297
FORT LAUDERDALE RENAL ASSOCIATES	6264 N FEDERAL HIGHWAY	FORT LAUDERDALE	FL	33308
FORT PIERCE ARTIFICIAL KIDNEY CENTER	1801 S 23RD ST STE 1	FORT PIERCE	FL	34950
FORT VALLEY DIALYSIS	557 BLUEBIRD BOULEVARD	FORT VALLEY	GA	31030
FOUR CORNERS ACUTE DIALYSIS	801 W MAPLE	FARMINGTON	NM	87401
FOUR CORNERS DIALYSIS CENTER	801 W BROADWAY	FARMINGTON	NM	87401
FOURTH STREET DIALYSIS	3101 B NORTH FOURTH ST	LONGVIEW	TX	75605
FOWLERVILLE DIALYSIS	206 EAST GRAND RIVER AVENUE	FOWLERVILLE	MI	48836
FRANCONIA DIALYSIS CENTER	5695 KING CENTER DRIVE	ALEXANDRIA	VA	22315
FRANKLIN DIALYSIS AT HOME	150 SOUTH INDEPENDENCE WEST 101 PUBLIC LEDGER BLDG	PHILADELPHIA	PA	19106
FRANKLIN DIALYSIS CENTER	150 SOUTH INDEPENDENCE WEST 101 PUBLIC LEDGER BLDG	PHILADELPHIA	PA	19106
FREEPORT DIALYSIS CENTER	25 NORTH HARLEM AVE	FREEPORT	IL	61032
FREEWAY DRIVE DIALYSIS	1449 FREEWAY DRIVE SUITE A AND B	REIDSVILLE	NC	27320
FREMONT DIALYSIS CENTER	2340 NORTH CLARKSON	FREMONT	NE	68025
GAINESVILLE DIALYSIS	2545 FLINTRIDGE RD STE 130	GAINESVILLE	GA	30501
GARDEN CITY DIALYSIS CENTER	1100 STEWART AVE	GARDEN CITY	NY	11530
GAREY DIALYSIS CENTER	1880 N GAREY AVE	POMONA	CA	91767
GARFIELD HEMODIALYSIS CENTER	118 HILLIARD AVE	MONTEREY PARK	CA	91754
GEORGETOWN ON THE POTOMAC DIALYSIS CENTER	3223 K STREET NW STE 110	WASHINGTON	DC	20007
GERMANTOWN DIALYSIS	20111 CENTURY BLVD	GERMANTOWN	MD	20874
GETTYSBURG DIALYSIS	26 SPRINGS AVE STE C	GETTYSBURG	PA	17325
GHENT DIALYSIS CENTER	901 HAMPTON BLVD STE 200	NORFOLK	VA	23507
GILMER	519 NORTH WOOD STREET	GILMER	TX	75644
GONZALES DIALYSIS CENTER	1406 N SARAH DEWITT DRIVE	GONZALES	TX	78629
GRAND BLANC DIALYSIS CENTER	3625 GENESYS PARKWAY	GRAND BLANC	MI	48439
GRAND ISLAND DIALYSIS	603 SOUTH WEBB ROAD	GRAND ISLAND	NE	68803
GRANITE CITY DIALYSIS CENTER	9 AMERICAN VILLAGE SHOPPING CENTER	GRANITE CITY	IL	62040
GRANT PARK DIALYSIS	5000 NANNIE HELEN BURROUGHS AVE NE	WASHINGTON	DC	20019
GREAT BRIDGE DIALYSIS CENTER	745 N BATTLEFIELD BLVD	CHESAPEAKE	VA	23320
GREAT LAKES ACUTE	3908 GUNDERSON AVE	STICKNEY	IL	60402
GREATER EL MONTE DIALYSIS CENTER	1938 TYLER AVE STE J-168	SOUTH EL MONTE	CA	91733
GREATER HOUSTON ACUTE DIALYSIS	11602 BURDINE	HOUSTON	TX	77231
GREATER PORTSMOUTH DIALYSIS	3516 QUEEN ST	PORTSMOUTH	VA	23707
GREENSPRING DIALYSIS CENTER	4701 MT HOPE DR SUITE C	BALTIMORE	MD	21215
GREER KIDNEY CENTER	211 VILLAGE DR	GREER	SC	29651
GRIFFIN DIALYSIS	731 S 8TH ST	GRIFFIN	GA	30224
GROVEPARK DIALYSIS CENTER	794 MCDONOUGH ROAD	JACKSON	GA	30233
GULF BREEZE DIALYSIS CENTER	1121 OVERCASH DR A	DUNEDIN	FL	34698
GULF COAST DIALYSIS INC	3300 TAMIAMI TRAIL STE 101A	PORT CHARLOTTE	FL	33952
HAINES CITY DIALYSIS	110 PATTERSON RD	HAINES CITY	FL	33844
HALLWOOD DIALYSIS CENTER	4929 CLIO RD STE B	FLINT	MI	48504
HAMPTON AVENUE	1425 HAMPTON AVENUE	ST LOUIS	MO	63139
HARFORD ROAD DIALYSIS	5800 HARFORD RD	BALTIMORE	MD	21214
HARLAN DIALYSIS	1213 GARFIELD AVENUE	HARLAN	IA	51537
HARRISBURG ACUTES	425 N 21ST ST PLAZA 21 BLDG 1ST FL	CAMP HILL	PA	17011
HASTINGS DIALYSIS CENTER	1900 NORTH SAINT JOSEPH AVE	HASTINGS	NE	68901
HAYWARD DIALYSIS CENTER	22477 MAPLE CRT	HAYWARD	CA	94541
HCMC ACUTE DIALYSIS	901 S 6TH STREET STE B6	MINNEAPOLIS	MN	55404

Center Name	Address	City	ST	Zip
HEB DIALYSIS CENTER	1401A BROWN TRAIL	BEDFORD	TX	76022
HEMET DIALYSIS CENTER	1330 S STATE ST STE B	SAN JACINTO	CA	92583
HENDERSON DIALYSIS CENTER	1002 HWY 79 N	HENDERSON	TX	75652
HENDERSONVILLE DIALYSIS CENTER	500 BEVERLY HANK CTR HWY 25 N	HENDERSONVILLE	NC	28792
HENRY SPALDING ACUTE	114 DUNN STREET	MCDONOUGH	GA	30253
HERMISTON COMMUNITY DIALYSIS CENTER	1155 W LINDA AVE	HERMISTON	OR	97838
HERNANDO KIDNEY CENTER	2985-A LANDOVER BLVD	SPRING HILL	FL	34608
HILL COUNTRY DIALYSIS CENTER OF SAN MARCOS	TDC PLAZA 1820 PETER GARZA ST	SAN MARCOS	TX	78666
HOLLYWOOD DIALYSIS CENTER	5108 SUNSET BLVD	LOS ANGELES	CA	90027
HOME DIALYSIS UNIT	825 S EIGHTH ST STE 1202	MINNEAPOLIS	MN	55404
HONESDALE DIALYSIS CENTER	STOURBRIDGE MALL RTE 6 AND MAPLE AVE	HONESDALE	PA	18431
HOPE AGAIN DIALYSIS CENTER	1207 STATE RTE VV	KENNETT	MO	63857
HOPE DIALYSIS CENTER	300 MARCELLA DR	HAMPTON	VA	23666
HOPEWELL DIALYSIS CENTER	301 W BROADWAY	HOPEWELL	VA	23860
HOPI DIALYSIS CENTER	HWY 264 POB 964	POLACCA	AZ	86042
HOUSTON ACUTES	5610 ALMEDA RD	HOUSTON	TX	77004
HOUSTON KIDNEY CENTER CYPRESS STATION	221H FM 1960 WEST	HOUSTON	TX	77090
HOUSTON KIDNEY CENTER SOUTHWEST	11111 BROOKLET DR BLDG 100 STE 100	HOUSTON	TX	77099
HUDSON VALLEY DIALYSIS	155 WHITE PLAINS RD	TARRYTOWN	NY	10591
HYDE PARK KIDNEY CENTER	1439 EAST 53RD ST	CHICAGO	IL	60615
IMPERIAL CARE DIALYSIS CENTER	4345 EAST IMPERIAL HIGHWAY	LYNWOOD	CA	90262
INDEPENDENCE DIALYSIS CENTER	801 W MYRTLE ST	INDEPENDENCE	KS	67301
INDEPENDENCE RENAL CENTER	12392 HIGHWAY 40	INDEPENDENCE	LA	70443
INDIO DIALYSIS CENTER	46767 MONROE ST STE 101	INDIO	CA	92201
INTERAMERICAN DIALYSIS INSTITUTE INC	7815 CORAL WAY STE 115	MIAMI	FL	33155
IRIS CITY DIALYSIS	521 N EXPERESSWAY VILLAGE STE 1509	GRIFFIN	GA	30223
IRVINE DIALYSIS CENTER	16255 LAGUNA CANYON RD	IRVINE	CA	92618
JACINTO DIALYSIS CENTER	11515 MARKET STREET	JACINTO CITY	TX	77029
JACKSON ACUTES	1725 PINE STREET	MONTGOMERY	AL	36106
JACKSON DIALYSIS	234 WEST LOUIS GLICK HWY	JACKSON	MI	49201
JENNERSVILLE DIALYSIS CENTER	1011 W BALTIMORE PIKE STE 107	WEST GROVE	PA	19390
JONESBORO DIALYSIS	129 KING STREET	JONESBORO	GA	30236
KATY DIALYSIS CENTER	22233 KATY FREEWAY	KATY	TX	77450
KAYENTA DIALYSIS	US HWY 163 NORTH	KAYENTA	AZ	86033
KENNER REGIONAL DIALYSIS CENTER	200 W ESPLANADE AVE STE 100	KENNER	LA	70065
KENNETH HAHN PLAZA DIALYSISCENTER	11854 S WILMINGTON AVE	WILLOWBROOK	CA	90059
KENT DIALYSIS CENTER	21501 84TH AVE S	KENT	WA	98032
KIDNEY CARE OF LARGO	1300 MERCANTILE LANE SUITE 194	LARGO	MD	20774
KIDNEY CARE OF LAUREL	13970 BALTIMORE BLVD	LAUREL	MD	20707
KIDNEY DIALYSIS CARE UNIT	3600 E MARTIN LUTHER KING JR BLVD	LYNWOOD	CA	90262
KILGORE	209 HWY 42 NORTH	KILGORE	TX	75662
KINGWOOD DIALYSIS CENTER	2300 GREEN OAK DR STE 500	KINGWOOD	TX	77339
KNICKERBOCKER RC INC	1180 W SWEDESFORD RD BLDG 2	BERWYN	PA	19312
LAKE COUNTY DIALYSIS SERVICES	918 S MILWAUKEE AVE	LIBERTYVILLE	IL	60048
LAKE DIALYSIS	221 NORTH 1ST ST	LEESBURG	FL	34748
LAKE ELSINORE DIALYSIS	32291 MISSION TRAIL RD BLDG S	LAKE ELSINORE	CA	92530
LAKE WALES DIALYSIS CENTER	1348 SR 60 E	LAKE WALES	FL	33853
LAKEPORT DIALYSIS CENTER	804 11TH ST STE 2	LAKEPORT	CA	95453
LAKEWOOD COMMUNITY DIALYSIS CENTER	5919 LAKEWOOD TOWNE CENTER BLVD SW STE A	LAKEWOOD	WA	98499
LAKEWOOD CROSSING DIALYSIS CENTER	1057 S WADSWORTH BLVD STE 100	LAKEWOOD	CO	80226
LAKEWOOD DIALYSIS CENTER	1750 PIERCE ST	LAKEWOOD	CO	80214
LAKEWOOD DIALYSIS CENTER	4645 SILVA ST	LAKEWOOD	CA	90712

Center Name	Address	City	ST	Zip
LAMPLIGHTER PLAZA	12654 LAMPLIGHTER SQUARE	ST LOUIS	MO	63128
LAS VEGAS ACUTES	7330 SMOKE RANCH ROAD SUITE A	LAS VEGAS	NV	89128
LAS VEGAS DIALYSIS CENTER	3100 W CHARLESTON BLVD STE 100	LAS VEGAS	NV	89102
LAWRENCEBURG DIALYSIS CENTER	555 EADS PARKWAY STE 200	LAWRENCEBURG	IN	47025
LEE STREET DIALYSIS	5155 LEE ST NE	WASHINGTON	DC	20019
LEESBURG DIALYSIS CENTER	801 E DIXIE AVE STE 108A	LEESBURG	FL	34748
LEJEUNE DIALYSIS	4338 NW 7TH ST	MIAMI	FL	33126
LEWISTOWN DIALYSIS CENTER	611 ELECTRIC AVE	LEWISTOWN	PA	17044
LIBERTY RC INC	1180 W SWEDESFORD RD BLDG 2	BERWYN	PA	19312
LIFE CARE DIALYSIS	221 W 61ST ST	NEW YORK	NY	10023
LIFELINE ATLANTA	552 PONCE DE LEON AVENUE N.E.	ATLANTA	GA	30308
LIFELINE BALTIMORE	2405 YORK ROAD	TIMONIUM	MD	21093
LIFELINE BIRMINGHAM	201 LONDON PARKWAY SUITE 500	BIRMINGHAM	AL	35211
LIFELINE CINCINNATI	4623 WESLEY AVENUE SUITE N	NORWOOD	OH	45212
LIFELINE DETROIT 1	10861 TEN MILE ROAD	OAK PARK	MI	48237
LIFELINE DETROIT 2	22201 MOROSS SUITE 155	DETROIT	MI	48236
LIFELINE DETROIT 3	16507 SOUTHFIELD	ALLEN PARK	MI	48101
LIFELINE EL PASO	1601 N BROWN STREET	EL PASO	TX	79902
LIFELINE HOUSTON	1415 LA CONCHA LANE	HOUSTON	TX	77054
LIFELINE HOUSTON 2	1570 S DAIRY ASHFORD RD SUITE 116	HOUSTON	TX	77077
LIFELINE RIVERSIDE	4100 LATHAM STREET SUITE A	RIVERSIDE	CA	92501
LIFELINE SAN ANTONIO	7114 SAN PEDRO	SAN ANTONIO	TX	78216
LIFELINE SAN DIEGO	5854 EL CAJON BLVD	SAN DIEGO	CA	92115
LIFELINE TYLER	807 EAST FIRST STREET	TYLER	TX	75701
LIFELINE WASHINGTON DC	4155 BLADENSBURG RD E	COLMAR MANOR	MD	20722
LIFELINE WICHITA	2630 NORTH WEBB ROAD BLDG 100 SUITE 200	WICHITA	KS	67226
LINCOLN PARK DIALYSIS	3157 N LINCOLN AVE	CHICAGO	IL	60657
LINCOLN PARK PD	7009 W BELMONT AVE	CHICAGO	IL	60634
LINCOLNLAND DIALYSIS CENTER	1112 CENTRE WEST DR	SPRINGFIELD	IL	62704
LITTLETON DIALYSIS CENTER	209 W COUNTY LINE RD	LITTLETON	CO	80129
LIVINGSTON DIALYSIS CENTER	203 N HOUSTON	LIVINGSTON	TX	77351
LODI DIALYSIS CENTER	2415 W VINE ST STE 106	LODI	CA	95242
LOGAN ACUTE DIALYSIS PROGRAM	167 STOLLINGS AVENUE	LOGAN	WV	25661
LOGAN SQUARE DIALYSIS	2659 N MILWAUKEE AVE 1ST FL	CHICAGO	IL	60647
LOMA VISTA DIALYSIS CENTER	1382-A LOMALAND	EL PASO	TX	79935
LONE STAR DIALYSIS	8560 MONROE RD	HOUSTON	TX	77061
LONETREE DIALYSIS CENTER	9777 MOUNT PYRAMID COURT SUITE 140	ENGLEWOOD	CO	80112
LONGMONT DIALYSIS CENTER	1700 KYLIE DR STE 170	LONGMONT	CO	80501
LONGVIEW DIALYSIS CENTER	425 N FREDONIA	LONGVIEW	TX	75601
LOS ANGELES DIALYSIS CENTER	2250 S WESTERN AVE STE 300	LOS ANGELES	CA	90018
LOUISVILLE DIAYLSIS	8037 DIXIE HIGHWAY	LOUISVILLE	KY	40258
LOWRY DIALYSIS CENTER	7465 E 1ST AVE STE A	DENVER	CO	80230
LUFKIN DIALYSIS CENTER	509 CHESTNUT VILLAGE	LUFKIN	TX	75901
LYNBROOK DIALYSIS CENTER	147 SCRANTON AVE	LYNBROOK	NY	11563
MACOMB KIDNEY CENTER	28295 SCHOENHERR ROAD SUITE A	WARREN	MI	48088
MADISON DIALYSIS CENTER	220 CLIFTY DR VILLIAGE SQUARE UNIT K	MADISON	IN	47250
MADISON DIALYSIS CENTER	302 N HIGHWAY ST	MADISON	NC	27025
MAINPLACE DIALYSIS CENTER	972 TOWN AND COUNTRY RD	ORANGE	CA	92868
MANASSAS DIALYSIS	10655 LOMOND DR STE 101	MANASSAS	VA	20109
MANZANITA DIALYSIS CENTER	4005 MANZANITA AVE STE 17	CARMICHAEL	CA	95608
MANZANITA PERITONIAL DIALYSIS CENTER	5120 MANZANITA AVE STE 140	CARMICHAEL	CA	95608
MAPLEWOOD DIALYSIS CENTER	2785 WHITE BEAR AVE STE 201	MAPLEWOOD	MN	55109
MARIANNA DIALYSIS CENTER	4319 LAFAYETTE	MARIANNA	FL	32446
MARSHALL DIALYSIS CENTER	1301 S WASHINGTON	MARSHALL	TX	75670
MARSHALL DIALYSIS CENTER	WEINER MEMORIAL MEDICAL CENTER 300 S BRUCE ST	MARSHALL	MN	56258

Center Name	Address	City	ST	Zip
MARYSVILLE	1015 8TH STREET	MARYSVILLE	CA	95901
MARYVILLE DIALYSIS	2130 VADALABENE DR	MARYVILLE	IL	62062
MCCOOK DIALYSIS CENTER	801 WEST C STREET	MCCOOK	NE	69001
MCDONOUGH DIALYSIS CENTER	114 DUNN ST	MCDONOUGH	GA	30253
MEHERRIN DIALYSIS CENTER	201-A WEAVER AVE	EMPORIA	VA	23847
MEMORIAL DIALYSIS CENTER	11621 KATY FREEWAY	HOUSTON	TX	77079
MEMORIAL DIALYSIS CENTER	4427 S ROBERTSON ST	NEW ORLEANS	LA	70115
MERRILLVILLE DIALYSIS	9223 TAFT	MERRILLVILLE	IN	46410
MESA VISTA DIALYSIS	2400 NORTH OREGON ST SUITE C	EL PASO	TX	79902
MGD—CHILDREN'S HOSPITAL DIALYSIS CENTER	111 MICHIGAN AVE NW RM 3130	WASHINGTON	DC	20010
MIAMI BEACH KIDNEY CENTER INC	400 ARTHUR GODFREY RD STE 402	MIAMI BEACH	FL	33140
MIAMI DIALYSIS CENTER	200 2ND AVE SW	MIAMI	OK	74354
MIAMI LAKES ARTIFICIAL KIDNEY CENTER	14600 NW 60TH AVE	MIAMI LAKES	FL	33014
MID-COLUMBIA KIDNEY CENTER	117 S THIRD AVE	PASCO	WA	99301
MIDDLEBURG HTS DIALYSIS	17800 JEFFERSON PARK STE 101	MIDDLEBURG HEIGHTS	OH	44130
MIDDLETOWN DIALYSIS CENTER	500 ROUTE 35 SOUTH UNION SQUARE PLAZA	RED BANK	NJ	7701
MID-OHIO DIALYSIS	2355 S HAMILTON ROAD	COLUMBUS	OH	43232
MIDTOWN DIALYSIS	121 LINDEN AVE	ATLANTA	GA	30308
MIDWEST CITY DIALYSIS CENTER	7221 E RENO AVE	MIDWEST CITY	OK	73110
MILFORD DIALYSIS CENTER	COUNTY COMMERCE CTR 10 BUIST RD	MILFORD	PA	18337
MILLEDGEVILLE DIALYSIS	400 S WAYNE ST	MILLEDGEVILLE	GA	31061
MINNEAPOLIS DIALYSIS UNIT	825 S EIGHTH ST STE SL42	MINNEAPOLIS	MN	55404
MINNEAPOLIS NE DIALYSIS	1049 10TH AVE SE	MINNEAPOLIS	MN	55414
MINNETONKA DIAYSIS UNIT	17809 HUTCHINS DR	MINNETONKA	MN	55345
MISSION DIALYSIS CENTER OF CHULA VISTA	1181 BROADWAY STE 5	CHULA VISTA	CA	91911
MISSION DIALYSIS CENTER OF EL CAJON	858 FLETCHER PARKWAY	EL CAJON	CA	92020
MISSION DIALYSIS CENTER OF OCEANSIDE	2227-B EL CAMINO REAL	OCEANSIDE	CA	92054
MISSION DIALYSIS CENTER OF SAN DIEGO	7007 MISSION GORGE RD 1ST FL	SAN DIEGO	CA	92120
MISSION HILLS DIALYSIS	2700 NORTH STANTON	EL PASO	TX	79902
MITCHELL DIALYSIS	QUEEN OF PEACE HOSPITAL 525 N FOSTER	MITCHELL	SD	57301
MOBILE DIALYSIS CENTER	9925 PAINTER AVE STE K	SANTA FE SPRINGS	CA	90605
MONCRIEF DIALYSIS CENTER	800 WEST 34TH ST STE 101	AUSTIN	TX	78705
MONTCLAIR DIALYSIS CENTER	5050 PALO VERDE ST STE 100	MONTCLAIR	CA	91763
MONTCLARE DIALYSIS CENTER	7009 W BELMONT	CHICAGO	IL	60634
MONTEREY PARK DIALYSIS CENTER	2560 CORPORATE PLACE STE 100	MONTEREY PARK	CA	91754
MONTEVIDEO DIALYSIS CENTER	MONTEVIDEO HOSPITAL 824 N 11TH ST	MONTEVIDEO	MN	56265
MOULTRIE DIALYSIS	2419 S MAIN ST	MOULTRIE	GA	31768
MOUNTAIN VISTA DIALYSIS CENTER	401-B E HIGHLAND AVE	SAN BERNARDINO	CA	92404
MT ADAMS KIDNEY CENTER	512 SECOND AVE	ZILLAH	WA	98953
MT DORA DIALYSIS	2735 WEST OLD US HWY 441	MT DORA	FL	32757
MT POCONO DIALYSIS	100 COMMUNITY DR STE 106	TOBYHANNA	PA	18466
MURRIETA DIALYSIS	25100 HANCOOCK AVENUE STE 101	MURRIETA	CA	92562
MUSKOGEE COMMUNITY DIALYSIS CENTER	2913 AZALEA PARK BLVD	MUSKOGEE	OK	74401
NAPA DIALYSIS CENTER	3900 BEL AIRE PLAZA	NAPA	CA	94558
NE WICHITA DIALYSIS CENTER	2630 N WEBB RD BLDG 100 STE 100	WICHITA	KS	67226
NEPHROLOGY CENTER OF AUGUSTA	1238 D'ANTIGNAC ST	AUGUSTA	GA	30901
NEPHROLOGY CENTER OF AUGUSTA PD	1218 D'ANTIGNAC ST	AUGUSTA	GA	30901
NEPHROLOGY CENTER OF LOUISVILLE	1011 PEACHTREE RD	LOUISVILLE	GA	30434

Center Name	Address	City	ST	Zip
NEPHROLOGY CENTER OF SOUTH AUGUSTA	1631 GORDON HIGHWAY STE 1B	AUGUSTA	GA	30906
NEPHROLOGY CENTER OF STATESBORO	4-B COLLEGE PLAZA FAIR RD	STATESBORO	GA	30458
NEPHROLOGY CENTER OF VIDALIA	1806 EDWINA DR	VIDALIA	GA	30474
NEPHROLOGY CENTER OF WAYNESBORO	163 S LIBERTY ST	WAYNESBORO	GA	30830
NEPTUNE DIALYSIS CENTER	2180 BRADLEY AVE	NEPTUNE	NJ	7753
NEW CENTER DIALYSIS	3011 W GRAND BLVD STE 650	DETROIT	MI	48202
NEW PORT RICHEY KIDNEY CENTER	4807 GRAND BLVD	NEW PORT RICHEY	FL	34652
NEW YORK UNITED DIALYSIS CENTER	406 BOSTON POST RD	PORT CHESTER	NY	10573
NEWNAN DIALYSIS	1565 EAST HIGHWAY 34 STE 130	NEWNAN	GA	30265
NEWPORT DIALYSIS	605 WEST NEWPORT PIKE	NEWPORT	DE	19804
NEWPORT NEWS DIALYSIS CENTER	700 NEWMARKET STE 100	NEWPORT NEWS	VA	23605
NEWTON DIALYSIS	204 NORTH 4TH STREET	NEWTON	IA	50208
NORFOLK DIALYSIS CENTER	962 NORFOLK SQUARE	NORFOLK	VA	23502
NORMAN DIALYSIS CENTER	1818 W LINDSEY ST BLDG B STE 104	NORMAN	OK	73069
NORTH GEORGIA DIALYSIS PD	11685 ALPHARETTA HWY STE 100	ROSWELL	GA	30076
NORTH HIGHLANDS DIALYSIS CENTER	4986 WATT AVE STE F	NORTH HIGHLANDS	CA	95660
NORTH HOUSTON DIALYSIS CENTER	129 LITTLE YORK	HOUSTON	TX	77076
NORTH LAS VEGAS DIALYSIS CENTER	2300 MCDANIEL ST	NORTH LAS VEGAS	NV	89030
NORTH OAKLAND DIALYSIS	450 N TELEGRAPH STE 600	PONTIAC	MI	48341
NORTH OAKLAND DIALYSIS ACUTES	450 N TELEGRAPH STE 600	PONTIAC	MI	48341
NORTH PALM BEACH DIALYSIS CENTER	3375 BURNS RD STE 101	PALM BEACH GARDENS	FL	33410
NORTHEAST PHILADELPHIA DIALYSIS CENTER	518 KNORR ST	PHILADELPHIA	PA	19111
NORTHLAKE DIALYSIS	1350 MONTREAL ROAD STE 200	TUCKER	GA	30084
NORTHSHORE ACUTES	106 MEDICAL CENTER DRIVE SUITE 101	SLIDELL	LA	70461
NORTHSHORE KIDNEY CENTER	106 MEDICAL CENTER DRIVE	SIDELL	LA	70461
NORTHSHORE/COVINGTON ACUTES	106 MEDICAL CENTER DRIVE SUITE 101	SLIDELL	LA	70461
NORTHSTAR DIALYSIS CENTER	380 W LITTLE YORK	HOUSTON	TX	77076
NORTHWEST BETHANY DIALYSIS CENTER	7800 NW 23RD ST STE A	BETHANY	OK	73008
NORTHWEST HOUSTON KIDNEY CENTER	11029 NW FREEWAY	HOUSTON	TX	77092
NORTHWEST INDIANA ACUTES	5521 W LINCOLN HWY SUITE 105	CROWN POINT	IN	46307
NORTHWEST SAN ANTONIO DIALYSIS CENTER	8132 FREDERICKSBURG RD	SAN ANTONIO	TX	78229
NORWALK DIALYSIS CENTER	12375 E IMPERIAL HWY STE D3	NORWALK	CA	90650
NOVI DIALYSIS	47250 W TEN MILE	NOVI	MI	48374
OAK CLIFF	2000 SOUTH LLEWELLYN AVE	DALLAS	TX	75224
OAK PARK DIALYSIS	13481 TEN MILE RD	OAK PARK	MI	48237
OAKLAND PERITONEAL DIALYSIS CENTER	2633 TELEGRAPH AVE STE 115	OAKLAND	CA	94612
OCALA REGIONAL KIDNEY CENTER-EAST	2870 SE 1ST AVE	OCALA	FL	34471
OCALA REGIONAL KIDNEY CENTER-NORTH	2620 W HWY 316	CITRA	FL	32113
OCALA REGIONAL KIDNEY CENTER-SOUTH	13940 US HWY 441 BLDG 400	LADY LAKE	FL	32159
OCALA REGIONAL KIDNEY CENTER-WEST	9401 SW HWY 200 BLDG 600	OCALA	FL	34481
OCEAN GARDEN DIALYSIS	1738 OCEAN AVE	SAN FRANCISCO	CA	94112
OKLAHOMA ACUTES	7806 NW 23RD STREET	BETHANY	OK	73008
OKLAHOMA CITY DIALYSIS CENTER	4140 W MEMORIAL RD STE 107	OKLAHOMA CITY	OK	73120
OKMULGEE DIALYSIS CENTER	1101 S BELMONT STE 204	OKMULGEE	OK	74447
OLYMPIA FIELDS DIALYSIS CENTER	4557B LINCOLN HWY STE B	MATTESON	IL	60443
OLYMPIC VIEW DIALYSIS CENTER	125 16TH AVE E CSB 5TH FL	SEATTLE	WA	98112
OMAHA ACUTE PROGRAM	4350 DEWEY AVENUE	OMAHA	NE	68105
OMNI DIALYSIS CENTER	9350 KIRBY DR STE 110	HOUSTON	TX	77054
ORANGE COUNTY ACUTE	16255 LAGUNA CANYON ROAD	IRVINE	CA	92618

Center Name	Address	City	ST	Zip
ORANGEVALE DIALYSIS CENTER	9267 GREENBACK LN STE A-2	ORANGEVALE	CA	95662
ORLANDO DIALYSIS	14050 TOWN LOOP BLVD STE 104	ORLANDO	FL	32837
ORLEANS METROPOLITAN DIALYSIS	3839 ULLOA STREET	NEW ORLEANS	LA	70119
OWENSBORO DIALYSIS	1930 EAST PARRISH AVENUE	OWENSBORO	KY	42303
OWINGS MILLS ACUTES	10 CROSSROADS DR STE 110	OWINGS MILLS	MD	21117
OWINGS MILLS DIALYSIS CENTER	10 CROSSROADS DR STE 110	OWINGS MILLS	MD	21117
PACIFIC COAST DIALYSIS CENTER	1416 CENTINELA AVE	INGLEWOOD	CA	90302
PAHRUMP DIALYSIS CENTER	1460 E CALVADA BLVD	PAHRUMP	NV	89048
PAINTSVILLE DIALYSIS	4750 KENTUCKY ROUTE 321 SOUTH	HAGER HILL	KY	41222
PALM BROOK DIALYSIS CENTER	14664 NORTH DEL WEBB BLVD	SUN CITY	AZ	85351
PALM DESERT DIALYSIS CENTER	41-501 CORPORATE WAY	PALM DESERT	CA	92260
PALMER DIALYSIS CENTER	30 COMMUNITY DR	EASTON	PA	18045
PALMERTON DIALYSIS CENTER	185C DELAWARE AVE	PALMERTON	PA	18071
PANAMA CITY DIALYSIS CENTER	615 HIGHWAY 231	PANAMA CITY	FL	32405
PAPAGO DIALYSIS	1401 N 24 ST STE 2	PHOENIX	AZ	85008
PARAMOUNT DIALYSIS CENTER	8319 ALONDRA BLVD	PARAMOUNT	CA	90723
PARK PLAZA DIALYSIS	G-1075 N BALLENGER HWY	FLINT	MI	48504
PARMA DIALYSIS CENTER	6735 AMES DRIVE	PARMA	OH	44129
PDI CADIEUX	6150 CADIEUX ROAD	DETROIT	MI	48224
PDI CAMC WEST VIRGINIA ACUTE	501 MORRIS STREET	CHARLESTON	WV	25301
PDI DOWNTOWN HOUSTON	1301 FANNIN STREET STE 170	HOUSTON	TX	77002
PDI EAST MONTGOMERY	6890 WINTON BLOUNT BLVD	MONTGOMERY	AL	36117
PDI EBENSBURG	236 JAMESWAY ROAD	EBENSBURG	PA	15931
PDI ELMORE	515 HOSPITAL DRIVE	WETUMPKA	AL	36092
PDI EPHRATA	67 WEST CHURCH STREET	STEVENS	PA	17578
PDI FITCHBURG	551 ELECTRIC AVENUE	FITCHBURG	MA	1420
PDI FORD ROAD	3905 FORD ROAD	PHILADELPHIA	PA	19131
PDI GRAND HAVEN	16964 ROBBINS RD	GRAND HAVEN	MI	49417
PDI GRAND RAPIDS	801 CHERRY ST SE	GRAND RAPIDS	MI	49506
PDI GRAND RAPIDS EAST	1230 EKHART ST NE	GRAND RAPIDS	MI	49503
PDI HIGHLAND PARK	64 VICTOR ST	HIGHLAND PARK	MI	48203
PDI JOHNSTOWN	344 BUDFIELD STREET	JOHNSTOWN	PA	15904
PDI LANCASTER	1412 EAST KING STREET	LANCASTER	PA	17602
PDI LANCASTER ACUTES	250 COLLEGE AVENUE ROOM 423	LANCASTER	PA	17603
PDI MIDDLESEX	100 RIVERVIEW CENTER STE 11	MIDDLETOWN	CT	6457
PDI MONTGOMERY	1001 FOREST AVENUE	MONTGOMERY	AL	36106
PDI NEWARK	571 CENTRAL AVENUE	NEWARK	NJ	7107
PDI NORTH HOUSTON	7115 NORTH LOOP EAST	HOUSTON	TX	77028
PDI PRATTVILLE	1815 GLYNWOOD DRIVE	PRATTVILLE	AL	36066
PDI ROCKY HILL	30 WATERCHASE DRIVE	ROCKY HILL	CT	6067
PDI ROOSEVELT PARK	1080 WEST NORTON AVENUE	MUSKEGON	MI	49441
PDI SELMA	201 LINCOLN LANE	SELMA	AL	36701
PDI SOUTH HOUSTON	5989 SOUTH LOOP EAST	HOUSTON	TX	77033
PDI WALNUT TOWER	834 WALNUT STREET	PHILADELPHIA	PA	19107
PDI WORCESTER	19 GLENNIE STREET	WORCESTER	MA	1605
PEARLAND DIALYSIS	6516 BROADWAY STE 122	PEARLAND	TX	77581
PEEKSKILL CORTLANDT DIALYSIS CENTER	2050 EAST MAIN STREET SUITE 15	CORTLANDT MANOR	NY	10657
PELHAM PARKWAY DIALYSIS CENTER	JACOBI MEDICAL CTR BLDG #5 1400 PELHAM PARKWAY SOUTH A-1	BRONX	NY	10461
PENDLETON DIALYSIS	7703 HIGHWAY 76	PENDLETON	SC	29670
PENINSULA DIALYSIS	2 BERNARDINE DRIVE	NEWPORT NEWS	VA	23602
PERALTA RENAL CENTER	450 30TH ST STE 306	OAKLAND	CA	94609
PERRY DIALYSIS CENTER	1027 KEITH DR	PERRY	GA	31069
PHENIX CITY DIALYSIS CENTER	1900 OPELIKA RD	PHENIX CITY	AL	36867
PHILADELPHIA ACUTES	111 SOUTH 11TH ST 4290 GIBBON BUILDING	PHILADELPHIA	PA	19107
PIEDMONT DIALYSIS	1575 NORTHSIDE DRIVE NW STE 365	ATLANTA	GA	30318
PIEDMONT DIALYSIS	2710 TELEGRAPH AVE STE 200	OAKLAND	CA	94612
PIKES PEAK DIALYSIS CENTER	2002 LELARAY ST STE 130	COLORADO SPRINGS	CO	80909

Center Name	Address	City	ST	Zip
PIKESVILLE	1496 REISTERSTOWN ROAD	PIKESVILLE	MD	21208
PIN OAK DIALYSIS	1302 PIN OAK RD	KATY	TX	77494
PINE ISLAND KIDNEY CENTER	1871 N PINE ISLAND RD	PLANTATION	FL	33322
PINECREST DIALYSIS	913 PINECREST DR	MARSHALL	TX	75670
PIPESTONE DIALYSIS	PIPESTONE CITY HOSPITAL 911 FIFTH AVE SW	PIPESTONE	MN	56164
PLACERVILLE DIALYSIS CENTER	3964 MISSOURI FLAT RD STE J	PLACERVILLE	CA	95667
PLEASANTON DIALYSIS CENTER	5720 STONERIDGE MALL RD SUITE 160	PLEASANTON	CA	94588
POCONO DIALYSIS CENTER	447 OFFICE PLAZA 100 PLAZA CT STE B	EAST STROUDSBURG	PA	18301
POMPANO BEACH ARTIFICIAL KIDNEY CENTER	1311 E ATLANTIC BLVD	POMPANO BEACH	FL	33060
PORT CHARLOTTE ARTIFICIAL KIDNEY CENTER	4300 KINGS HWY STE 406 BOX D17	PORT CHARLOTTE	FL	33980
PORT CHESTER DIALYSIS AND RENAL CENTER	38 BULKLEY AVE	PORT CHESTER	NY	10573
PORT WASHINGTON DIALYSIS CENTER	50 SEAVIEW BLVD	PORT WASHINGTON	NY	11050
PORTSMOUTH DIALYSIS	2000 HIGH ST	PORTSMOUTH	VA	23704
POTRERO HILL DIALYSIS CENTER	1750 CESAR CHAVEZ ST STE A	SAN FRANCISCO	CA	94124
PRATT DIALYSIS CENTER	203 WATSON STE 110	PRATT	KS	67124
PREMIER DIALYSIS CENTER	7612 ATLANTIC AVE	CUDAHY	CA	90201
PRINTER'S PLACE DIALYSIS CENTER	2802 INTERNATIONAL CIRCLE	COLORADO SPRINGS	CO	80910
P-SUNCOAST ACUTES	8143 STATE ROAD 54	NEW PORT RICHEY	FL	34655
PURCELLVILLE DIALYSIS CENTER	280 HATCHER AVE	PURCELLVILLE	VA	20132
PUYALLUP DIALYSIS	716C SOUTH HILL PARK DR	PUYALLUP	WA	98373
QUEENS DIALYSIS AT SOUTH FLUSHING	71-12 PARK AVE	FLUSHING	NY	11365
QUEENS DIALYSIS CENTER	118-01 GUY BREWER BLVD	JAMAICA	NY	11434
QUEENS VILLAGE DIALYSIS CENTER	222-02 HEMPSTEAD AVE STE 170	QUEENS	NY	11429
READING DIALYSIS CENTER	2201 DENGLER ST	READING	PA	19606
RED WING DIALYSIS UNIT	FAIRVIEW RED WING HOSPITAL 1407 W FOURTH ST	RED WING	MN	55066
REDDING DIALYSIS CENTER	1876 PARK MARINA DR	REDDING	CA	96001
REDWOOD FALLS DIALYSIS CENTER	100 FALLWOOD RD	REDWOOD FALLS	MN	56283
REIDSVILLE	1307 FREEWAY DRIVE	REIDSVILLE	NC	27320
RENAL CARE OF BOWIE	4861 TELSA DRIVE STES G-H	BOWIE	MD	20715
RENAL CARE OF BUFFALO	550 ORCHARD PARK RD	WEST SENECA	NY	14224
RENAL CARE OF LANHAM	8855 ANNAPOLIS RD STE 200	LANHAM	MD	20706
RENAL CARE OF SEAT PLEASANT	6274 CENTRAL AVE	SEAT PLEASANT	MD	20743
RENAL CARE OF TAKOMA PARK	831 UNIVERSITY BLVD E STE 11	SILVER SPRINGS	MD	20903
RENAL TREATMENT CENTERS-BATESVILLE	232 STATE ROAD 129 SOUTH	BATESVILLE	IN	47006
RENAL TREATMENT CENTERS-DERBY	250 W RED POWELL RD	DERBY	KS	67037
RENAL TREATMENT CENTERS-GARDEN CITY	310 WALNUT E LOWER LEVEL 2	GARDEN CITY	KS	67846
RENAL TREATMENT CENTERS-NEW ORLEANS	4528 FRERET ST	NEW ORLEANS	LA	70115
RENAL TREATMENT CENTERS-NEWTON	1223 WASHINGTON RD	NEWTON	KS	67114
RENAL TREATMENT CENTERS-PARSONS	1902 S HWY 59 BLDG B	PARSONS	KS	67357
RENAL TREATMENT CENTERS-WINFIELD	1315 E 4TH AVE	WINFIELD	KS	67156
RESTON DIALYSIS	1875 CAMPUS COMMONS DRIVE SUITE #110	RESTON	VA	20191
RIALTO DIALYSIS CENTER	1850 N RIVERSIDE AVE STE 150	RIALTO	CA	92376
RICHMOND ACUTE PROGRAM	1366 VICTORY BLVD	STATEN ISLAND	NY	10301
RICHMOND ACUTES-CT	384 RAYMOND ST	ROCKVILLE CENTER	NY	11570
RICHMOND ACUTES-NJ	1366 VICTORY BLVD	STATEN ISLAND	NY	10301
RICHMOND KIDNEY CENTER	1366 VICTORY BLVD	STATEN ISLAND	NY	10301

Center Name	Address	City	ST	Zip
RIVER CITY DIALYSIS	1970 NORTHWESTERN AVE	STILLWATER	MN	55082
RIVERDALE DIALYSIS CENTER	170 W 233RD ST	BRONX	NY	10463
RIVERPARK DIALYSIS	2010 SOUTH LOOP 336 WEST SUITE 200	CONROE	TX	77304
RIVERPOINT DIALYSIS	501 SW 7TH STREET SUITE B	DES MOINES	IA	50309
RIVERSIDE ACUTE	4361 LATHAM ST STE 100	RIVERSIDE	CA	92501
RIVERSIDE DIALYSIS CENTER	4361 LATHAM ST. SUITE 100	RIVERSIDE	CA	92501
RIVERTOWNE DIALYSIS	6192 OXON HILL RD 1ST FL	OXON HILL	MD	20745
RMS DISEASE MANAGEMENT	3 HAWTHORNE PARKWAY SUITE 410	VERNON HILLS	IL	60061
ROCK RIVER ACUTES	5970 CHURCHVIEW DR	ROCKFORD	IL	61107
ROCKFORD DIALYSIS	2400 NORTH ROCKTON AVENUE STE D-1	ROCKFORD	IL	61103
ROCKINGHAM ACUTE	251 WEST KINGS HWY	EDEN	NC	27288
ROCKVILLE DIALYSIS CENTER	14915 BROSCHART RD STE 100	ROCKVILLE	MD	20850
ROCKY RIVER DIALYSIS	20220 CENTER RIDGE RD STE 050	ROCKY RIVER	OH	44116
ROSEBUD DIALYSIS	1 SOLDIER CREEK RD	ROSEBUD	SD	57570
ROSEMEAD SPRINGS DIALYSIS CENTER	3212 ROSEMEAD BLVD	EL MONTE	CA	91731
SACRAMENTO MOBILE SERVICES	300 UNIVERSITY AVE STE 201	SACRAMENTO	CA	95825
SAGINAW DIALYSIS	1527 E GENESEE ST	SAGINAW	MI	48601
SALINAS VALLEY DIALYSIS CENTER	955 BLANCO CIR STE C	SALINAS	CA	93901
SALT LAKE ACUTES	1600 BIRCH WAY	FRANCIS	UT	84036
SAN ANTONIO DIALYSIS CENTER	1211 E COMMERCE	SAN ANTONIO	TX	78205
SAN LEANDRO DIALYSIS CENTER	198 E 14TH ST	SAN LEANDRO	CA	94577
SAN MATEO DIALYSIS CENTER	2000 SOUTH EL CAMINO REAL	SAN MATEO	CA	94403
SANTA ANA DIALYSIS CENTER	1820 E DEERE AVE	SANTA ANA	CA	92705
SAPULPA DIALYSIS	9647 RIDGEVIEW ST	TULSA	OK	74131
SATELLITE DIALYSIS CENTER-ACUTE	345 CONVENTION WY	REDWOOD CITY	CA	94063
SATELLITE DIALYSIS CENTER-BUSINESS DEVELOPMENT	345 CONVENTION WAY STE B	REDWOOD CITY	CA	94063
SATELLITE DIALYSIS CENTER-CLINICAL RESEARCH	345 CONVENTION WY STE B	REDWOOD CITY	CA	94063
SATELLITE DIALYSIS CENTER-EAST SAN JOSE	SATELLITE DIALYSIS CENTERS INC 2121 ALEXIAN DR STE 118-A	SAN JOSE	CA	95116
SATELLITE DIALYSIS CENTER-EMANUEL MED CENTER ACUTE	784 SATELLITE TRC EMANUEL HOSPITAL 825 DELBON AVE	TURLOCK	CA	95380
SATELLITE DIALYSIS CENTER-GOOD SAMARITAN	345 CONVENTION WY STE B	REDWOOD CITY	CA	94063
SATELLITE DIALYSIS CENTER-HEADQUARTERS	345 CONVENTION WAY	REDWOOD CITY	CA	94063
SATELLITE DIALYSIS CENTER-KAISER SANTA ROSA ACUTE	1255 N DUTTON AVE STE 2	SANTA ROSA	CA	95401
SATELLITE DIALYSIS CENTER-LARKSPUR	565 SIR FRANCIS DRAKE BLVD	GREENBRAE	CA	94904
SATELLITE DIALYSIS CENTER-LARKSPUR	565 SIR FRANCIS DRAKE BLVD	GREENBRAE	CA	94904
SATELLITE DIALYSIS CENTER-MODESTO	1208 FLOYD AVE STE B-8	MODESTO	CA	95350
SATELLITE DIALYSIS CENTER-MODESTO	1329 SPANOS COURT BLDG D	MODESTO	CA	95355
SATELLITE DIALYSIS CENTER-REDWOOD CITY	1410 MARSHALL ST	REDWOOD CITY	CA	94063
SATELLITE DIALYSIS CENTER-SANTA ROSA	1255 NORTH DUTTON AVE STE 2	SANTA ROSA	CA	95401
SATELLITE DIALYSIS CENTER-SANTA ROSA	1255 NORTH DUTTON AVE STE 2	SANTA ROSA	CA	95401
SATELLITE DIALYSIS CENTER-SEQUOIA ACUTE	345 CONVENTION WY	REDWOOD CITY	CA	94063
SATELLITE DIALYSIS CENTER-SONORA	136 E COLUMBIA WAY	SONORA	CA	95370
SATELLITE DIALYSIS CENTER-SONORA	136 EAST COLUMBIA WAY	SONORA	CA	95370
SATELLITE DIALYSIS CENTER-SOUTH COUNTY	7800 ARROYO CIRCLE	GILROY	CA	95020
SATELLITE DIALYSIS CENTER-SOUTH COUNTY	7800 ARROYO CIRCLE STE 100	GILROY	CA	95020
SATELLITE DIALYSIS CENTER-SOUTH SAN JOSE	393 BLOSSOM HILL RD SUITE 110	SAN JOSE	CA	95123

Center Name	Address	City	ST	Zip
SATELLITE DIALYSIS CENTER-SUNNYVALE	155 NORTH WOLFE RD	SUNNYVALE	CA	94086
SATELLITE DIALYSIS CENTER-SUNNYVALE (USE 1525)	155 N WOLFE RD	SUNNYVALE	CA	94086
SATELLITE DIALYSIS CENTER-TURLOCK	1729 NORTH OLIVE AVE STE 9	TURLOCK	CA	95382
SATELLITE DIALYSIS CENTER-WATSONVILLE	40 PENNY LANE	WATSONVILLE	CA	95076
SATELLITE DIALYSIS CENTER-WATSONVILLE	40 PENNY LN	WATSONVILLE	CA	95076
SATELLITE DIALYSIS CENTER-WEST SAN JOSE	1175 SARATOGA AVE STE 14	SAN JOSE	CA	95129
SATELLITE DIALYSIS-WINDSOR	911 MEDICAL CENTER PLAZA STE 16	WINDSOR	CA	95492
SAVANNAH ACUTE DIALYSIS	1020 DRAYTON STREET	SAVANNAH	GA	31401
SAVANNAH DIALYSIS	1020 DRAYTON STREET	SAVANNAH	GA	31401
SCOTTSBLUFF DIALYSIS CENTER	3812 AVE B	SCOTTSBLUFF	NE	69361
SCOTTSDALE DIALYSIS CENTER	4725 N SCOTTSDALE RD SUITE 100	SCOTTSDALE	AZ	85251
SENECA COUNTY DIALYSIS	65 ST FRANCIS ST	TIFFIN	OH	44883
SHAWNEE DIALYSIS CENTER	2508 N HARRISON	SHAWNEE	OK	74804
SHENANDOAH DIALYSIS	300 PERSHING AVENUE	SHENANDOAH	IA	51601
SHERMAN DIALYSIS CENTER	205 W LAMBERTH RD	SHERMAN	TX	75092
SHERWOOD	21035 SOUTH WEST PACIFIC HWY	SHERWOOD	OR	97140
SHINING STAR DIALYSIS	99 CANAL CENTER PLAZA STE G14	ALEXANDRIA	VA	22304
SHIPROCK DIALYSIS CENTER	US HWY 491 N	SHIPROCK	NM	87420
SIERRA ACUTE	1300 MURCHISON STE 115	EL PASO	TX	79902
SIERRA ROSE DIALYSIS CENTER	685 SIERRA ROSE DR	RENO	NV	89509
SIOUX FALLS ACUTES	825 S 8TH ST STE 400	MINNEAPOLIS	MN	55404
SIOUX FALLS COMMUNITY DIALYSIS UNIT	MCKENNAN HOSPITAL 800 E 21ST ST STE 4600	SIOUX FALLS	SD	57105
SKY RIDGE ACUTES	3247 SOUTH LINCOLN	ENGLEWOOD	CO	80110
SLIDELL III-TRINITY	1400 LINDBERG DR SUITE 101	SLIDELL	LA	70458
SLIDELL KIDNEY CARE	1150 ROBERT BLVD STE 240	SLIDELL	LA	70458
SOLEDAD DIALYSIS	901 LOS COCHES DR	SOLEDAD	CA	93960
SOMERSET DIALYSIS CENTER	240 CHURCHILL AVE	SOMERSET	NJ	8873
SOUNDVIEW DIALYSIS CENTER	1622-24 BRUCKNER BLVD	BRONX	NY	10473
SOUTH BRONX DIALYSIS CENTER	1940 WEBSTER AVE	BRONX	NY	10457
SOUTH BROOKLYN NEPHROLOGY CENTER	3915 AVENUE V STE 104	BROOKLYN	NY	11234
SOUTH BROWARD ARTIFICIAL KIDNEY CENTER	4401 HOLLYWOOD BLVD	HOLLYWOOD	FL	33021
SOUTH CHICO	2345 FOREST AVENUE	CHICO	CA	95928
SOUTH COLUMBUS	1216 STARK AVENUE	COLUMBUS	GA	31906
SOUTH COUNTY DIALYSIS	4145 UNION RD	ST LOUIS	MO	63129
SOUTH DENVER DIALYSIS CENTER	990 E HARVARD AVE	DENVER	CO	80210
SOUTH HAYWARD DIALYSIS	254 JACKSON ST	HAYWARD	CA	94544
SOUTH ILLINOIS/MISSOURI ACUTE PROGRAM	9700 MACKENZIE RD SUITE 225	ST LOUIS	MO	63123
SOUTH LAS VEGAS DIALYSIS CENTER	4711 INDUSTRIAL RD	LAS VEGAS	NV	89103
SOUTH PHILADELPHIA DIALYSIS CENTER	109 DICKINSON ST	PHILADELPHIA	PA	19147
SOUTH SACRAMENTO DIALYSIS CENTER	7000 FRANKLIN BLVD STE 880	SACRAMENTO	CA	95823
SOUTH SAN ANTONIO DIALYSIS	MISSION TERRACE OFFICE PARK 1313 SE MILITARY DR STE 111	SAN ANTONIO	TX	78214
SOUTH SAN FRANCISCO DIALYSIS CENTER	205 KENWOOD WAY	SOUTH SAN FRANCISCO	CA	94080
SOUTHEASTERN DIALYSIS CENTER—BURGAW	704 S DICKERSON ST PO BOX 1391	BURGAW	NC	28425
SOUTHEASTERN DIALYSIS CENTER—ELIZABETHTOWN	101 DIALYSIS DR	ELIZABETHTOWN	NC	28337
SOUTHEASTERN DIALYSIS CENTER—JACKSONVILLE	14 OFFICE PARK DR	JACKSONVILLE	NC	28546
SOUTHEASTERN DIALYSIS CENTER—KENANSVILLE	305 BEASLEY ST	KENANSVILLE	NC	28349

Center Name	Address	City	ST	Zip
SOUTHEASTERN DIALYSIS CENTER—SHALLOTTE	4740 SHALLOTTE AVE	SHALLOTTE	NC	28470
SOUTHEASTERN DIALYSIS CENTER—WHITEVILLE	608 PECAN LN	WHITEVILLE	NC	28472
SOUTHEASTERN DIALYSIS CENTER—WILMINGTON	2215 YAUPON DR	WILMINGTON	NC	28401
SOUTHERN HILLS DIALYSIS CENTER	9280 W SUNSET RD SUITE 110	LAS VEGAS	NV	89148
SOUTHERN PINES	209 WINDSTAR PLACE	SOUTHERN PINES	NC	28387
SOUTHFIELD DIALYSIS AT HOME	23077 GREENFIELD STE 104	SOUTHFIELD	MI	48075
SOUTHFIELD DIALYSIS CENTER	23077 GREENFIELD STE 104	SOUTHFIELD	MI	48075
SOUTHFIELD WEST DIALYSIS	SOUTHFIELD TECHNECENTER 21900 MELROSE BLDG 2	SOUTHFIELD	MI	48075
SOUTHSHORE ACUTES	4427 S ROBERTSON STREET SUITE 101	NEW ORLEANS	LA	70115
SOUTHWEST ATLANTA DIALYSIS CENTER	3620 MARTIN LUTHER KING DR	ATLANTA	GA	30331
SOUTHWEST OHIO DIALYSIS	215 SOUTH ALLISON AVENUE	XENIA	OH	45385
SOUTHWEST SAN ANTONIO DIALYSIS CENTER	7515 BARLITE BLVD	SAN ANTONIO	TX	78224
SPARKS DIALYSIS CENTER	2345 E PRATER WAY STE 100	SPARKS	NV	89434
SPRING BRANCH DIALYSIS	1425 BLALOCK ROOM 100	HOUSTON	TX	77055
SPRINGFIELD DIALYSIS	8350 A TRAFORD LN	SPRINGFIELD	VA	22152
ST CHARLES DIALYSIS CENTER	3600 PRYTANIA ST STE 83	NEW ORLEANS	LA	70115
ST CROIX FALLS DIALYSIS	744 LOUISIANA ST E	ST CROIX FALLS	WI	54024
ST LOUIS DIALYSIS CENTER	2610 CLARK AVE	ST LOUIS	MO	63103
ST LOUIS PARK DIALYSIS CENTER	3505 LOUISIANA AVE SOUTH	ST LOUIS PARK	MN	55426
ST MARY MEDICAL FACILITY	1205 LANGHORNE-NEWTON RD	LANGEHORNE	PA	19047
ST PAUL CAPITOL DIALYSIS	555 PARK ST STE 230	ST PAUL	MN	55103
ST PAUL DIALYSIS	555 PARK ST STE 180	ST PAUL	MN	55103
ST PAUL-RAMSEY ACUTE	825 S EIGHTH ST STE 400	MINNEAPOLIS	MN	55404
STERLING ACUTE	8501 ARLINGTON BLVD	FAIRFAX	VA	22031
STERLING DIALYSIS	46396 BENEDICT DR STE 100	STERLING	VA	20164
STILLWATER DIALYSIS CENTER	406 EAST HALL OF FAME AVE STE 300	STILLWATER	OK	74075
STILWELL DIALYSIS CENTER	319 N 2ND ST	STILWELL	OK	74960
SUMMERLIN DIALYSIS CENTER	653 TOWN CENTER BLDG 2 STE 70	LAS VEGAS	NV	89144
SUNRISE COMMUNITY DIALYSIS CLINIC	2951 SUNRISE BLVD STE 145	RANCHO CORDOVA	CA	95742
SUNRISE DIALYSIS CENTER	13039 HAWTHORNE BLVD	HAWTHORNE	CA	90250
SWANNANOA DIALYSIS CENTER	2305 US HIGHWAY 70	SWANNANOA	NC	28778
SYLVA DIALYSIS CENTER	655 ASHEVILLE HWY	SYLVA	NC	28779
TAHLEQUAH DIALYSIS CENTER	228 N BLISS AVE	TAHLEQUAH	OK	74464
TAMARAC ARTIFICIAL KIDNEY CENTER	7140 WEST MCNAB RD	TAMARAC	FL	33321
TAYLOR COUNTY DIALYSIS CENTER	101 KINGWOOD DR	CAMPBELLSVILLE	KY	42718
TELL CITY DIALYSIS	1602 MAIN STREET	TELL CITY	IN	47586
TEMECULA DIALYSIS CENTER	40945 COUNTY CENTER DR STE G	TEMECULA	CA	92591
TEXOMA ACUTE	1220 REBA MCENTIRE LANE	DENISON	TX	75020
THORNTON DIALYSIS CENTER	8800 FOX DR	THORNTON	CO	80260
TIMPANOGOS DIALYSIS CENTER	852 N 500 WEST STE 200	PROVO	UT	84604
TOKAY DIALYSIS CENTER	312 S FAIRMONT AVE STE A	LODI	CA	95240
TOMBALL DIALYSIS CENTER	27720-A TOMBALL PARKWAY	TOMBALL	TX	77375
TOTAL RENAL ACUTE SERVICES	7850 W SAMPLE ROAD	CORAL SPRINGS	FL	33065
TOTAL RENAL CARE AT RICHMOND COMMUNITY	1510 N 28TH ST STE 100	RICHMOND	VA	23223
TRANSMOUNTAIN DIALYSIS	5255 TRANSMOUNTAIN DRIVE SUITE B 18	EL PASO	TX	79924
TRANSPLANT CLINIC	HENNEPIN COUNTY MEDICAL CTR 914 S 8TH ST D-4	MINNEAPOLIS	MN	55404
TRC CHILDREN'S DIALYSIS CENTER	2611 N HALSTED	CHICAGO	IL	60614
TRC FAIRFAX DIALYSIS CENTER	8501 ARLINGTON BLVD STE 100	FAIRFAX	VA	22031
TRC GLENDORA DIALYSIS CENTER	120 W FOOTHILL BLVD	GLENDORA	CA	91741
TRC MED-CENTER DIALYSIS	5610 ALMEDA DR	HOUSTON	TX	77004

Center Name	Address	City	ST	Zip
TRC/USC KIDNEY CENTER	2310 ALCAZAR ST	LOS ANGELES	CA	90033
TRC-PINE CITY	LAKESIDE MEDICAL CENTER 129 E 6TH AVE	PINE CITY	MN	55063
TRI PARISH CHRONIC RENAL CENTER	2345 ST CLAUDE AVE	NEW ORLEANS	LA	70117
TUBA CITY DIALYSIS	500 EDGEWATER DR	TUBA CITY	AZ	86045
TULSA DIALYSIS CENTER	4436 S HARVARD	TULSA	OK	74135
TUSTIN DIALYSIS	2090 N TUSTIN AVE STE 100	SANTA ANA	CA	92705
UCLA ACUTE DIALYSIS	10833 LE CONTE AVE CHS ROOM 54-180	LOS ANGELES	CA	90095
UCLA DIALYSIS CENTER	200 UCLA MEDICAL PLAZA STE 565	LOS ANGELES	CA	90095
UCLA HARBOR DIALYSIS	21602 S VERMONT AVE	TORRANCE	CA	90502
UNION CITY DIALYSIS	32930 ALVARADO NILES RD STE 300	UNION CITY	CA	94587
UNION GAP DIALYSIS	1236 AHTANUM RIDGE DR AHTANUM RIDGE BUSINESS PARK	UNION GAP	WA	98903
UNION PLAZA DIALYSIS CENTER	810 FIRST STREET NE STE 100	WASHINGTON	DC	20002
UNITED DIALYSIS CENTER	3111 LONG BEACH BLVD	LONG BEACH	CA	90807
UNIVERSITY CAPD	300 UNIVERSITY AVE STE 122	SACRAMENTO	CA	95825
UNIVERSITY DIALYSIS CENTER	300 UNIVERSITY AVE STE 103	SACRAMENTO	CA	95825
UNIVERSITY DIALYSIS UNIT RIVERSIDE	606 24TH AVE S STE 701	MINNEAPOLIS	MN	55454
UNIVERSITY PARK DIALYSIS CENTER	3986 S FIGUEROA ST	LOS ANGELES	CA	90037
UPLAND DIALYSIS	ONE MED CTR BLVD STE 120	UPLAND	PA	19013
UPSTATE DIALYSIS CENTER	308 MILLS AVE	GREENVILLE	SC	29605
UTAH VALLEY DIALYSIS CENTER	1134 N 500 WEST STE 104	PROVO	UT	84604
VACAVILLE DIALYSIS CENTER	1241 ALAMO DR STE 7	VACAVILLE	CA	95687
VALLEY DIALYSIS	16149 HART ST	VAN NUYS	CA	91406
VALLEY VIEW DIALYSIS CENTER	26900 CACTUS AVE	MORENO VALLEY	CA	92555
VENICE DIALYSIS CENTER	816 PINEBROOK RD	VENICE	FL	34292
VICTORIA DIALYSIS CENTER	1405 VICTORIA STATION	VICTORIA	TX	77901
VIRGINIA BEACH DIALYSIS CENTER	740 INDEPENDENCE CIRCLE	VIRGINIA BEACH	VA	23455
WACONIA DIALYSIS FACILITY	490 MAPLE ST STE 110	WACONIA	MN	55387
WALNUT CREEK DIALYSIS CENTER	108 LA CASA VIA STE 106	WALNUT CREEK	CA	94598
WARSAW DIALYSIS CENTER	213 W COLLEGE ST	WARSAW	NC	28398
WASATCH ACUTES	852 N 500 WEST STE 200	PROVO	UT	84604
WASHINGTON ACUTES	2615 SW TRENTON ST	SEATTLE	WA	98126
WASHINGTON DIALYSIS CENTER	154 WASHINGTON PLAZA	WASHINGTON	GA	30673
WASHINGTON PARISH DIALYSIS	724 WASHINGTON ST	FRANKLINTON	LA	70438
WASHINGTON PLAZA DIALYSIS CENTER	516-522 E WASHINGTON BLVD	LOS ANGELES	CA	90015
WATERLOO DIALYSIS CENTER	4200 N LAMAR STE 100	AUSTIN	TX	78756
WAYNE COUNTY ACUTE PROGRAM	2403 WAYNE MEMORIAL DRIVE	GOLDSBORO	NC	27530
WAYNESVILLE DIALYSIS CENTER	11 PARK TERRACE DR	CLYDE	NC	28721
WEAVERVILLE DIALYSIS	329 MERRIMON AVE	WEAVERVILLE	NC	28787
WEST BOUNTIFUL DIALYSIS	724 WEST 500 S STE 300	WEST BOUNTIFUL	UT	84087
WEST BOUNTIFUL DIALYSIS AT HOME	724 WEST 500 S STE 300	WEST BOUNTIFUL	UT	84087
WEST DES MOINES DIALYSIS	6800 LAKE DRIVE SUITE 185	DES MOINES	IA	50266
WEST DETROIT DIALYSIS	12950 W CHICAGO	DETROIT	MI	48228
WEST ST PAUL DIALYSIS UNIT	1555 LIVINGSTON AVE	WEST ST PAUL	MN	55118
WEST TEXAS DIALYSIS	1250 E CLIFF BLDG B	EL PASO	TX	79902
WEST VIRGINIA DIALYSIS	167 STOLLINGS AVENUE	LOGAN	WV	25601
WESTBANK CHRONIC RENAL CENTER	4422 GENERAL MEYER AVE STE 103	NEW ORLEANS	LA	70131
WESTERN HOME DIALYSIS	1750 PIERCE ST STE A	LAKEWOOD	CO	80214
WESTMINSTER DIALYSIS CENTER	9053 HARLAN ST STE 90	WESTMINSTER	CO	80031
WESTON DIALYSIS CENTER	2685 EXECUTIVE PARK DR SUITE 1	WESTON	FL	33331
WESTWOOD DIALYSIS CENTER	2615 SW TRENTON ST	SEATTLE	WA	98126
WHEATON DIALYSIS CENTER	WHEATON PARK SHOPPING CTR 11941 GEORGIA AVE	WHEATON	MD	20902
WHITE PLAINS DIALYSIS CENTER	200 HAMILTON AVE STE 13B	WHITE PLAINS	NY	10601
WHITESIDE	2600 NORTH LOCUST SUITE D—DIALYSIS UNIT	STERLING	IL	61081
WHITTIER DIALYSIS	10055 WHITTWOOD DRIVE	WHITTIER	CA	90603
WICHITA ACUTES	909 N TOPEKA	WICHITA	KS	67214
WICHITA DIALYSIS CENTER	909 N TOPEKA	WICHITA	KS	67214

Center Name	Address	City	ST	Zip
WICHITA PD PROGRAM	909 N TOPEKA	WICHITA	KS	67214
WILMINGTON DIALYSIS CENTER	RIVERSIDE MEDICAL ARTS COMPLEX 700 LEA BLVD G-2	WILMINGTON	DE	19802
WILSHIRE DIALYSIS	1212 WILSHIRE BLVD	LOS ANGELES	CA	90017
WINTER HAVEN DIALYSIS CENTER	400 SECURITY SQUARE	WINTER HAVEN	FL	33880
WOODBURY DIALYSIS UNIT	1850-3 WEIR DR	WOODBURY	MN	55125
WOODLAND DIALYSIS CENTER	912 WOODLAND DR STE B	ELIZABETHTOWN	KY	42701
WOODLAND KENTUCKY ACUTE PROGRAM	912 WOODLAND DR STE B	ELIZABETHTOWN	KY	42701
WOODSTOCK DIALYSIS	2001 PROFESSIONAL PARKWAY STE 100	WOODSTOCK	GA	30188
X'TREME TEAM EAST (MA) RGN 21—PDI	19 GLENNIE ST SUITE A	WORCESTER	MA	1605
YAKIMA DIALYSIS CENTER	1221 NORTH 16TH AVE	YAKIMA	WA	98902
YONKERS DIALYSIS CENTER	575 YONKERS AVE	YONKERS	NY	10704
YPSILANTI DIALYSIS	WASHTENAW FOUNTAIN PLAZA 2766 WASHTENAW RD	YPSILANTI	MI	48197
YUBA CITY DIALYSIS CENTER	1007 LIVE OAK BLVD STE B-4	YUBA CITY	CA	95991

Exhibit 10.28

INDEMNITY AGREEMENT

THIS INDEMNITY AGREEMENT (this "Agreement") dated as of **(INSERT DATE)** is made by and between DaVita Inc., a Delaware corporation formerly known as Total Renal Care Holdings, Inc., (the "Company"), and **(INSERT NAME)** (the "Indemnitee").

R E C I T A L S:

A. The Company recognizes that competent and experienced persons are increasingly reluctant to serve as directors and officers of corporations unless they are protected by comprehensive liability insurance or indemnification, or both, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such directors.

B. The statutes and judicial decisions regarding the duties of directors and officers are often difficult to apply, ambiguous, or conflicting, and therefore fail to provide such directors with adequate, reliable knowledge of legal risks to which they are exposed or information regarding the proper course of action to take.

C. The Company and the Indemnitee recognize that plaintiffs often seek damages in such large amounts and the costs of litigation may be so substantial (whether or not the case is meritorious), that the defense and/or settlement of such litigation is often beyond the personal resources of directors and officers.

D. The Company believes that it is unfair for its directors and officers to assume the risk of substantial judgments and other expenses which may occur in cases in which the director and/or officer, as the case may be, received no personal profit and in cases where such person acted in good faith.

E. Section 145 of the General Corporation Law of Delaware ("Section 145"), under which the Company is organized, empowers the Company to indemnify its directors and officers by agreement and to indemnify persons who serve, at the request of the Company, as the directors and officers of other corporations or enterprises, and expressly provides that the indemnification provided by Section 145 is not exclusive.

F. The Board of Directors of the Company has determined that contractual indemnification as set forth herein is not only reasonable and prudent but necessary to promote the best interests of the Company and its stockholders.

G. The Company desires and has requested the Indemnitee to serve or continue to serve as a director and/or officer of the Company.

H. The Indemnitee only is willing to serve, or to continue to serve, as a director and/or officer of the Company if the Indemnitee is furnished the indemnity provided for herein by the Company.

A G R E E M E N T:

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

(a) Agent. For purposes of this Agreement, "agent" of the Company means any person who: (i) is or was a director and/or officer of the Company or a subsidiary of the Company; or (ii) is or was serving at the request of, for the convenience of, or to represent the interest of the Company or a subsidiary of the Company as a director and/or officer of another foreign or domestic corporation, partnership or joint venture.

(b) Expenses. For purposes of this Agreement, "expenses" includes all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements, other out-of-pocket costs and reasonable compensation for time spent by the Indemnitee for which he is not otherwise compensated by the Company or any third party, provided that the rate of compensation and estimated time involved is approved in advance by the Board of Directors of the Company), actually and reasonably incurred by the Indemnitee in connection with either the investigation, defense or appeal of a proceeding or establishing or enforcing a right to indemnification under this Agreement, Section 145 or otherwise, and amounts paid in settlement by or on behalf of the Indemnitee, but shall not include any judgments, fines or penalties actually levied against the Indemnitee.

(c) Proceedings. For the purposes of this Agreement, "proceeding" means any threatened, pending, or completed action, suit, arbitration, hearing or other proceeding, whether civil, criminal, administrative, investigative or any other type whatsoever.

(d) Subsidiary. For purposes of this Agreement, "subsidiary" means any corporation of which more than 50% of the outstanding voting securities are owned directly or indirectly by the Company, by the Company and one or more other subsidiaries, or by one or more other subsidiaries.

2. Agreement to Serve. The Indemnitee agrees to serve and/or continue to serve as an agent of the Company, at the will of such corporation (or under separate agreement, if such agreement exists), in the capacity the Indemnitee currently serves as an agent of such corporation, so long as the Indemnitee is duly appointed or elected and qualified in accordance with the applicable provisions of the Bylaws of such corporation or of any subsidiary thereof, or until such time as the Indemnitee tenders his resignation in writing; provided, however, that nothing contained in this Agreement is intended to create any right to continued employment of the Indemnitee in any capacity.

3. Indemnification.

(a) Indemnification in Third Party Proceedings. Subject to Section 10 below, the Company shall indemnify the Indemnitee if the Indemnitee is a party to or threatened to be made a party to or otherwise involved in any proceeding (other than a proceeding by or in the name of the Company to procure a judgment in its favor) by reason of the fact that the Indemnitee is or was an agent of the Company, or by reason of any act or inaction by him in any such capacity (including, but not limited to, any written statement of the Indemnitee that (i) is required to be, and is, filed with the Securities and Exchange Commission (the "SEC") regarding the adequacy of the Company's internal controls or the accuracy of reports or statements filed by the Company with the SEC pursuant to federal laws and/or administrative regulations (each, a "Required Statement") or (ii) is made to another officer or employee of the Company to support a Required Statement), against any and all expenses and liabilities of any type whatsoever (including, but not limited to, judgments, fines and penalties)), actually and reasonably incurred by him in connection with the investigation, defense, settlement or appeal of such proceeding, but only if the Indemnitee acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful, pursuant to the presumption set forth in subsection (c) below, as applicable. The termination of any proceeding by judgment, order of court, settlement, conviction or on plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the Indemnitee did not act in good faith in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Company, and with respect to any criminal proceedings, that such person had reasonable cause to believe that his conduct was unlawful.

(b) Indemnification in Derivative Actions. Subject to Section 10 below, the Company shall indemnify the Indemnitee if the Indemnitee is a party to or threatened to be made a party to or otherwise involved in any proceeding by or in the name of the Company to procure a judgment in its favor by reason of the fact that the Indemnitee is or was an agent of the Company, or by reason of any act or inaction by him in any such capacity (including, but not limited to, any written statement of the Indemnitee that (i) is a Required Statement or (ii) is made to another officer or employee of the Company to support a Required Statement), against all expenses actually and reasonably incurred by the Indemnitee in connection with the investigation, defense, settlement, or appeal of such proceedings, but only if the Indemnitee acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company, pursuant to the presumption set forth in subsection (c) below; provided, however, that no indemnification under this subsection (b) shall be made in respect of any claim, issue or matter as to which the Indemnitee shall have been finally adjudged to be liable to the Company by a court of competent jurisdiction due to willful misconduct of a culpable nature in the performance of the Indemnitee's duty to the Company, unless and only to the extent that any court in which such proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as such court shall deem proper.

(c) Conclusive Presumption Regarding Indemnitee Conduct. With respect to Sections 3(a) and 3(b) above, the Indemnitee shall be conclusively presumed to have acted in good

faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, to have had no reasonable cause to believe Indemnitee's conduct was unlawful, unless a determination is made that the Indemnitee has not acted in accordance with the standards set forth above (i) by the Board of Directors by a majority vote of a quorum thereof consisting of directors who were not parties to the proceeding due to which a claim is made under this Agreement, (ii) by the stockholders of the Company by a majority vote of stockholders who were not parties to such a proceeding, or (iii) in a written opinion of independent legal counsel, selection of whom has been approved by the Indemnitee in writing or by a panel of arbitrators, one of whom is selected by the Company, another of whom is selected by the Indemnitee and the last of whom is selected by the first two arbitrators so selected.

4. Indemnification of Expenses of Successful Party. Notwithstanding any other provisions of this Agreement, to the extent that the Indemnitee has been successful on the merits or otherwise in defense of any proceeding or in defense of any claim, issue or matter therein, including the dismissal of any action without prejudice, the Company shall indemnify the Indemnitee against all expenses actually and reasonably incurred in connection with the investigation, defense or appeal of such proceeding.

5. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines or penalties) actually and reasonably incurred by him in the investigation, defense, settlement or appeal of a proceeding but is not entitled, however, to indemnification for the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled.

6. Advancement of Expenses. Subject to Section 10(b) below, the Company shall advance all expenses incurred by the Indemnitee in connection with the investigation, defense, settlement or appeal of any proceeding to which the Indemnitee is a party or is threatened to be made a party by reason of the fact that the Indemnitee is or was an agent of the Company. The Indemnitee hereby undertakes to repay such amounts advanced only if, and to the extent that, it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Company as authorized by this Agreement. The advances to be made hereunder shall be paid by the Company to or on behalf of the Indemnitee within 30 days following delivery of a written request therefor by the Indemnitee to the Company.

7. Notice and Other Indemnification Procedures.

(a) Notification of Proceeding. Promptly after receipt by the Indemnitee of notice of the commencement of or the threat of commencement of any proceeding, the Indemnitee shall, if the Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company of the commencement or threat of commencement thereof.

(b) Request for Indemnification. Any indemnification requested by the Indemnitee under Section 3 hereof shall be made no later than 10 days after receipt of the written request of the Indemnitee, unless a good faith determination is made within said 10-day period in accordance with one of the methods set forth in Section 3(c) above that the Indemnitee is not or (subject to final judgment or other final adjudication as provided in Section 10(a) below) ultimately will not be entitled to indemnification hereunder.

(c) Application for Enforcement. Notwithstanding a determination under Section 7(b) above that the Indemnitee is not entitled to indemnification with respect to any specific proceeding, the Indemnitee shall have the right to apply to any court of competent jurisdiction for the purpose of enforcing the Indemnitee's right to indemnification pursuant to this Agreement. In such an enforcement hearing or proceeding, the burden of proving by clear and convincing evidence that indemnification or advances are not appropriate shall be on the Company. Neither the failure of the Company (including its Board of Directors, stockholders, independent legal counsel or the panel of arbitrators) to have made a determination prior to the commencement of such action that the Indemnitee is entitled to indemnification hereunder, nor an actual determination by the Company (including its Board of Directors or independent legal counsel or the panel of arbitrators) that the Indemnitee is not entitled to indemnification hereunder, shall be a defense to the action or create any presumption that the Indemnitee is not entitled to indemnification hereunder.

(d) Indemnification of Certain Expenses. The Company shall indemnify the Indemnitee against all expenses incurred in connection with any hearing or proceeding under this Section 7 unless the Company prevails by clear and convincing evidence in such hearing or proceeding.

8. Assumption of Defense. In the event the Company shall be obligated to pay the expenses of any proceeding against the Indemnitee, the Company, if appropriate, shall be entitled to assume the defense of such proceeding, with counsel reasonably acceptable to the Indemnitee, upon the delivery to the Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by the Indemnitee and the retention of such counsel by the Company, the Company shall not be liable to the Indemnitee under this Agreement for any fees of counsel subsequently incurred by the Indemnitee with respect to the same proceeding, provided that (a) the Indemnitee shall have the right to employ his counsel in such proceeding at the Indemnitee's expense; and (b) if (i) the employment of counsel by the Indemnitee has been previously authorized in writing by the Company, (ii) the Indemnitee's counsel delivers a written notice to the Company stating that such counsel has reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of any such defense or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such proceeding within a reasonable time, then in any such event the fees and expenses of the Indemnitee's counsel shall be at the expense of the Company.

9. Insurance. The Company may, but is not obligated to, obtain directors' and officers' liability insurance ("D&O Insurance") as may be or become available with respect to which the Indemnitee is named as an insured. Notwithstanding any other provision of this Agreement, the Company shall not be obligated to indemnify the Indemnitee for expenses, judgments, fines or

penalties which have been paid directly to the Indemnitee by D&O Insurance. If the Company has D&O Insurance in effect at the time the Company receives from the Indemnitee any notice of the commencement of a proceeding, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policy.

10. Exceptions.

(a) Certain Matters. Any provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement to indemnify the Indemnitee on account of any proceeding with respect to (i) remuneration paid to the Indemnitee if it is determined by final judgment or other final adjudication that such remuneration was in violation of law; (ii) which final judgment is rendered against the Indemnitee for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of any federal, state or local statute; or (iii) which (but only to the extent that) it is determined by final judgment or other final adjudication that the Indemnitee's conduct was in bad faith, knowingly fraudulent or deliberately dishonest. For purposes of the foregoing sentence, a final judgment or other adjudication may be reached in either the underlying proceeding or action in connection with which indemnification is sought or a separate proceeding or action to establish rights and liabilities under this Agreement.

(b) Claims Initiated by the Indemnitee. Any provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement to indemnify or advance expenses to the Indemnitee with respect to proceedings or claims initiated or brought voluntarily by the Indemnitee and not by way of defense, except with respect to proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law or otherwise as required under Section 145, but such indemnification or advancement of expenses may be provided by the Company in specific cases if the Board of Directors of the Company finds it to be appropriate.

(c) Action for Indemnification. Any provision herein to the contrary notwithstanding, the Company shall be obligated pursuant to the terms of this Agreement to indemnify the Indemnitee for any expenses incurred by the Indemnitee with respect to any proceeding instituted by the Indemnitee to enforce or interpret this Agreement unless the Company prevails in such proceeding by clear and convincing evidence.

(d) Unauthorized Settlements. Any provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of a proceeding effected without the Company's written consent. Neither the Company nor the Indemnitee shall unreasonably withhold consent to any proposed settlement; provided, however, that the Company may in any event decline to consent to (or to otherwise admit or agree to any liability for

indemnification hereunder in respect of) any proposed settlement if the Company determines in good faith (pursuant to Section 7(b) above) that the Indemnitee is not or ultimately will not be entitled to indemnification hereunder.

(e) Securities Act Liabilities. Any provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement to indemnify the Indemnitee or otherwise act in violation of any undertaking appearing in and required by the rules and regulations promulgated under the Securities Act of 1933, as amended (the "Act") in any registration statement filed with the SEC under the Act. The Indemnitee acknowledges that paragraph (h) of Item 512 of Regulation S-K currently generally requires the Company to undertake in connection with any registration statement filed under the Act to submit the issue of the enforceability of the Indemnitee's rights under this Agreement in connection with any liability under the Act on public policy grounds to a court of appropriate jurisdiction and to be governed by any final adjudication of such issue. The Indemnitee specifically agrees that any such undertaking shall supersede the provisions of this Agreement and to be bound by any such undertaking.

11. Nonexclusivity. The provisions for indemnification and advancement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights which the Indemnitee may have under any provision of law, the Company's Certificate of Incorporation or Bylaws, in any court in which a proceeding is brought, the vote of the Company's stockholders or disinterested directors, other agreements or otherwise, both as to action in the Indemnitee's official capacity and to action in another capacity while occupying his position as an agent of the Company, and the Indemnitee's rights hereunder shall continue after the Indemnitee has ceased acting as an agent of the Company and shall inure to the benefit of the heirs, executors and administrators of the Indemnitee. Any provision herein to the contrary notwithstanding, the Company may provide, in specific cases, the Indemnitee with full or partial indemnification if the Board of Directors of the Company determines that such indemnification is appropriate.

12. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who, at the request and expense of the Company, shall execute all papers required and shall do everything that may be reasonably necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

13. Interpretation of Agreement. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to the Indemnitee to the fullest extent now or hereafter permitted by law.

14. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (a) the validity, legality and enforceability of the remaining provisions of the Agreement (including without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such

provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to Section 13 hereof.

15. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. The indemnification rights afforded to the Indemnitee hereby are contract rights and may not be diminished, eliminated or otherwise affected by amendments to the Certificate of Incorporation or Bylaws of the Company or by other agreements.

16. Successors and Assigns. The terms of this Agreement shall bind, and shall inure to the benefit of, the successors and assigns of the parties hereto.

17. Notice. Except as otherwise provided herein, any notice or demand which, by the provisions hereof, is required or which may be given to or served upon the parties hereto shall be in writing and, if by telegram, telecopy or telex, shall be deemed to have been validly served, given or delivered when sent, if by personal delivery, shall be deemed to have been validly served, given or delivered upon actual delivery and, if mailed, shall be deemed to have been validly served, given or delivered three business days after deposit in the United States mails, as registered or certified mail, with proper postage prepaid and addressed to the party or parties to be notified at the addresses set forth on the signature page of this Agreement (or such other address(es) as a party may designate for itself by like notice).

18. Governing Law. This Agreement shall be governed exclusively by and construed according to the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.

19. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and negotiations, written and oral, between the parties with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as of the date first above written.

THE "COMPANY":

DaVita Inc., a Delaware corporation

By: _____

Title: _____

Address: 601 Hawaii Street
El Segundo, CA 90245

THE "INDEMNITEE":

_____

Signature of the Indemnitee

_____

Print or Type Name of the Indemnitee

Address: _____

_____

Exhibit 10.30

DaVita Inc.
Post-Retirement Deferred Compensation Arrangement

Article I
Establishment, Purpose, and Effective Date

This Post-Retirement Deferred Compensation Arrangement ("Plan") is established by DaVita Inc. ("Company") for the purpose of providing unfunded deferred compensation for a select group of management or highly compensated employees of DaVita Inc. and its subsidiaries (collectively referred to as the "Company"). It is intended that the Plan be exempt from Parts 2, 3, and 4 of the Employee Retirement Income Security Act of 1974 ("ERISA") by reason of Sections 201(2), 301(a)(3), and 401(a)(l) of ERISA.

Article II
Definitions

2.1 Board of Directors. " Board of Directors" shall mean the Board of Directors of the Company (or its delegates).

2.2 Change of Control. "Change of Control" shall mean:

(a) any transaction or series of transactions in which any person or group within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934 ("Exchange Act") and Sections 13(d) and 14(d) of the Exchange Act becomes the direct or indirect "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), by way of a stock issuance, tender offer, merger, consolidation, other business combination or otherwise, of greater than fifty percent (50%) of the total voting power (on a fully diluted basis as if all convertible securities had been converted and all warrants and options had been exercised) entitled to vote in the election of directors of Company (including any transaction in which Company becomes a wholly-owned or majority-owned subsidiary of another corporation);

(b) any merger or consolidation or reorganization in which Company does not survive;

(c) any merger or consolidation in which Company survives, but the shares of Company's Common Stock outstanding immediately prior to such merger or consolidation represent 50% or less of the voting power of Company after such merger or consolidation, and

(d) any transaction in which more than 50% of Company's assets are sold.

2.3 Competitor. "Competitor" shall mean any individual, partnership, limited liability company, corporation, independent practice association, management services organization, or any other entity that provides dialysis services and nephrology-related services provided by Company at any time during the period of the employee's employment, including, but not limited to, hemodialysis, acute dialysis, apheresis services, peritoneal dialysis of any type, staff-assisted hemodialysis, home hemodialysis, dialysis-related laboratory and pharmacy services, access-related services, Method II dialysis supplies and services, nephrology practice management, or renal physician/center network management, and any other services or treatment for persons diagnosed as having end stage renal disease ("ESRD") or pre-ESRD, including any dialysis services provided in an acute hospital. The term "ESRD" shall have the same meaning as set forth in Title 42, Code of Federal Regulations Section 405.2101 *et. seq.* or any successor thereto.

2.4 Constructive Discharge. "Constructive Discharge" shall mean the occurrence of any of the following events after the date of a Change of Control without the employee's express written consent:

(a) the scope of the employee's authority, duties and responsibilities are materially diminished or are not (A) in the same area of operations, (B) in the same general level of seniority, or (C) of the same general nature as the employee's authority, duties, and responsibilities with Company immediately before such Change of Control;

(b) the failure by Company to provide the employee with office accommodations and assistance substantially equivalent to the accommodations and assistance provided to the employee immediately before such Change of Control;

(c) the principal office to which the employee is required to report is changed to a location that is more than twenty (20) miles from the principal office to which the employee is required to report immediately before such Change of Control;

(d) a reduction by Company in the employee's base salary, bonus arrangement, or other material benefits as in effect on the date of such Change of Control; or

(e) a failure of any successor in interest to the Company to assume in writing any obligations arising out of any agreement between the Company and the employee.

2.5 Unforeseeable Emergency. An "Unforeseeable Emergency" is a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in section 152(a) of the Internal Revenue Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, or (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship. Examples of what are *not* considered to be unforeseeable emergencies include the need to send a Participant's child to college or the desire to purchase a home.

Article III
Participation and Contributions

3.1 Eligibility. The Board of Directors shall select those individuals who are eligible to participate in the Plan ("Participants"), who must be members of a select group of management or highly compensated employees of the Company within the meaning of Sections 201(2), 301(a)(3), and 401(a)(l) of ERISA ("Top-Hat Employees").

3.2 Subsequent Ineligibility. In the event it is subsequently determined that a Participant does not constitute a Top-Hat Employee, his benefit under the Plan shall be paid to him as soon as possible, so that he will no longer be a Participant. However, a decision by the Board of Directors that an individual is no longer eligible to participate in the Plan shall not automatically be deemed a determination that he no longer qualifies as a Top-Hat Employee.

3.3 Contributions. Each year, the Board of Directors will decide how much (if anything) to contribute on behalf of each Participant. The amount of this contribution may be made in one or more installments during the year, and at the times selected by the Board of Directors. The amount of this contribution will be communicated to the Participant in writing ("Notice").

3.4 Vesting. Participants shall earn a vested right to the contributions on their behalf (and the earnings thereon) at the rate specified in the Notice. Notwithstanding the preceding sentence, Participants who are still employed by the Company at that time shall become fully vested upon the occurrence of any of the following events:

(a) death;

(b) attainment of age sixty-five (65);

(c) the termination of the Participant's employment by the Company or the Constructive Discharge of the Participant within eighteen (18) months following a Change of Control; or

(d) becoming disabled. For this purpose, a Participant will be considered to be disabled only if he is entitled to benefits under the Company's long-term disability plan.

Article IV
Benefits Unfunded

4.1 Benefits Unfunded. The benefits under this Plan shall not be funded but shall constitute an unsecured liability payable, when due, by the Company out of its general assets.

4.2 Crediting of Amounts to Accounts. A separate, unfunded account shall be established and maintained for each Participant ("Account"). Each Participant's Account shall be credited with the amount of the contributions on the Participant's behalf. The Participant's Account shall be credited with the rate of interest or earnings specified by the Committee for the period during which the amounts are held in the Account.

Article V
Payment of Benefits

5.1 Distributions following Termination of Employment. Participants shall receive the vested portion of their benefits determined pursuant to the rules of Article III following termination of employment, regardless of the reason for termination of employment (*e.g.*, death, disability, retirement, or otherwise).

5.2 In-Service Distributions. Participants may withdraw some or all of the vested amounts in their Accounts prior to termination of employment only in accordance with the terms of this Section. These elections will be made at such times and under such conditions as may be imposed by the Committee.

(a) A Participant may elect to receive some or all of the amounts in his Account upon reaching age sixty-five (65).

(b) A Participant may elect to receive some or all of the amounts in his Account upon incurring an Unforeseeable Emergency. Withdrawals of amounts because of an Unforeseeable Emergency will only be permitted to the extent reasonably needed to satisfy the emergency need.

(c) Participants may elect that their Plan Benefits become automatically payable upon a Change in Control.

5.3 Loans. Participants may not borrow funds from the Plan.

5.4 Form of Payments. Benefits under the Plan will be paid in the form of a lump sum distribution of the amount in the Participant's Account.

5.5 Designation of Beneficiary. In the event of the death of a Participant prior to the date on which the Participant's benefit is paid, his benefit will be paid to a beneficiary *other than* his surviving spouse only if the surviving spouse consents in writing to the designation. If the Participant does not have a surviving spouse or a properly designated beneficiary, the benefit will be paid to his estate.

5.6 Payees under Legal Disability. If any payee is a minor, or if the Committee reasonably believes that any payee is legally incapable of giving a valid receipt and discharge for any payment due him, the Committee may have the payment made to the person (or persons or institution) whom it reasonably believes is caring for or supporting such payee. Any such payment shall be a payment for the benefit of the payee and shall be a complete discharge of any liability under the Plan to the payee.

5.7 Payment of Benefits. All payments under the Plan shall be delivered in person or mailed to the last address of the Participant (or, in the case of the death of the Participant, to that of his surviving spouse or estate). Each Participant shall be responsible for furnishing the Committee with his current address.

5.8 Withholding.

(a) Withholdings that are required to be made with respect to the contributions to the Plan on behalf of the Participant shall be paid from the Participant's cash compensation, to the maximum extent possible.

(b) Any payments from the Plan may be subject to withholding for taxes as may be required by any applicable federal or state law.

(c) The Company shall have the right to withhold from benefit payments any amounts that the Participant owes to the Company.

5.9 Ancillary Agreements. As a condition to the payment of benefits under the Plan, Participants will be required to execute an agreement pursuant to which they agree not to provide services for a Competitor of the Company, not to solicit employees or patients, and such other agreements as may be required by the Company. If the Participant fails to execute or to comply with the terms of that agreement, the Participant will be required to forfeit or repay the amount of benefit that he received under the Plan, whichever is applicable.

Article VI
Plan Administration

6.1 Committee. Authority to administer the Plan shall be vested in the Board of Directors of DaVita Inc. or such person or persons as the Board of Directors may designate ("Committee").

6.2 Administrative Powers. The Committee shall have all powers necessary to administer the Plan. In addition to any powers and authority conferred on the Committee elsewhere in the Plan or by law, the Committee shall have the following powers and authority:

(a) To designate agents to carry out responsibilities relating to the Plan;

(b) To administer, interpret, and answer all questions which may arise under this Plan;

(c) To handle claims for benefits in accordance with Department of Labor Regulation Section 2560.502-1. In the case of a contested claim for benefits, the Committee may require, as a precondition to the entitlement of any claims for benefits, that the Claimant execute an agreement releasing any claims he asserts that he has against the Company, the Plan, and the Committee (as well as all other fiduciaries of the Plan);

(d) To establish rules and procedures from time to time for the conduct of its business and for the administration of the Plan; and

(e) To perform or cause to be performed such further acts as it may deem to be necessary, appropriate, or convenient in connection with the operation of the Plan.

6.3 Finality of Actions. Any action taken by the Committee in the exercise of authority conferred upon it by this Plan shall be binding upon the Participant and all parties claiming through him. All discretionary powers conferred upon the Committee shall be absolute.

6.4 Indemnification. To the maximum extent permitted by law, the Company shall indemnify the Committee and any other employee of the Company with duties under the Plan who was or is a party, or is threatened to be made a party, to any threatened, pending or completed proceeding, whether civil, criminal, administrative, or investigative, against any losses reasonably incurred by him by reason of his conduct in the performance of his duties under the Plan. This indemnity will not apply if the individual acted fraudulently or in bad faith in the performance of his duties relating to the Plan, or fails to assist the Company in defending against the claim.

Article VII
Miscellaneous Matters

7.1 Amendment and Termination. The Company expects the Plan to be permanent, but because future conditions affecting the Company cannot be anticipated or foreseen, the Company reserves the right to amend or terminate the Plan at any time. Upon termination of the Plan, all benefits shall become fully vested and payable immediately.

7.2 Benefits Not Alienable. Benefits under the Plan may not be assigned or alienated, whether voluntarily or involuntarily.

7.3 No Enlargement of Employee Rights. Nothing contained in the Plan shall be deemed to give a Participant the right to be retained in the employ of the Company or to interfere with the right of the Company to discharge any Participant at any time.

7.4 Governing Law. In the case of an ambiguity, the Plan shall be construed so as to comply with the provisions of the Internal Revenue Code and ERISA.

7.5 Interpretation. Unless the context clearly indicates otherwise, the masculine gender will include the feminine, the singular will include the plural, and the plural will include the singular.

In Witness Whereof, DaVita Inc. has caused this instrument to be executed as of the date indicated below.

DaVita Inc.

By: _____

Title: _____

Date: _____

Distribution Election Form
under the DaVita Inc. ("Company")
Post-Retirement Deferred Compensation Arrangement ("Plan")

Benefit Payment Dates

1. Termination of Employment. I understand that the vested portion of the contributions on my behalf to the Plan and the earnings on those amounts (if any) will become payable upon the termination of my employment because of death, disability, retirement, or any other reason.

2. In-Service Distributions. I further understand that I may elect that the vested portion of my benefit become payable prior to the termination of my employment, upon the occurrence of any of the events I designate below:

____ attainment of age 65 while still employed by the Company; and/or

____ a Change of Control of the Company (as defined in the Plan).

An election made pursuant to this Paragraph 2 will be effective only if the election is made before the beginning of the calendar year in which the designated event or events occur. Correspondingly, a revocation of an election made pursuant to this Paragraph 2 will not become effective until the following January 1.

3. Continuing Effect. I also understand that my election will continue in effect (that is, with respect to all future contributions to the Plan) until I complete a new election and deliver it to the Committee.

Conditions to Receive Payments

I understand that my right to a payment of my benefit under the Plan and to keep the payment is conditioned upon my compliance with the following conditions:

1. Covenant Not to Compete. I agree that during the term of my employment and for a period of one (1) year after the termination of my employment with the Company for any reason, I will not:

(a) be an officer, director, consultant, partner, owner, stockholder, employee, creditor, agent, trustee, independent contractor, or advisor of any individual, partnership, limited liability company, corporation, independent practice association, management services organization, or any other entity (collectively, "Person") that is a Competitor (as that term is defined in the Plan); or

(b) directly or indirectly, own, manage, control, operate, invest in, acquire an interest in, or otherwise engage in, act for, or act on behalf of any Person (other than the Company and its subsidiaries and affiliates) that is a Competitor.

I acknowledge that the nature of Company's activities is such that competitive activities could be conducted effectively regardless of the geographic distance between Company's place of business and the place of any Competitor's business. Notwithstanding anything herein to the contrary, such activities shall *not* include the ownership of one percent (1%) or less of the issued and outstanding stock, which is purchased in the open market, of a Competitor that is a publicly traded company.

I acknowledge and agree that the geographical limitations and duration of this covenant not to compete are reasonable. In particular, I agree that my position is national in scope and that I will have an impact on every location where Company currently conducts and will conduct business. Therefore, I acknowledge and agree that, like my position, this covenant cannot be limited to any particular geographic region.

2. Non-Solicitation of Employees. I promise and agree that I will not, for a period of one (1) year after the termination of my employment, directly or indirectly, solicit any of Company's employees to work for any Competitor. I also agree that during my employment and for a period of one (1) year after the termination of my employment, directly or indirectly, that I will not hire any of Company's employees to work (as an employee or an independent contractor) for any Competitor. In addition, I agree that during my employment and for a period of one (1) year after the termination of my employment, directly or indirectly, that I will not take any action that may reasonably result in any of Company's employees going to work (as an employee or an independent contractor) for any Competitor.

3. Other Non-Solicitation. I promise and agree that during the term of this Agreement and for a period of one (1) year after the termination of my employment for any reason, I will not, directly or indirectly:

(a) induce any patient or customer of Company, either individually or collectively, to patronize any Competitor;

(b) request or advise any patient, customer, or supplier of Company to withdraw, curtail, or cancel such person's business with Company;

(c) enter into any contract for the purpose or result of which would benefit me if any patient or customer of Company were to withdraw, curtail, or cancel such person's business with Company;

(d) solicit, induce, or encourage any physician (or former physician) affiliated with Company or induce or encourage any other person under contract with Company to curtail or terminate such person's affiliation or contractual relationship with Company;

(e) disclose to any Person the names or addresses of any patient or customer of Company or of any physician (or former physician) affiliated with Company; or

(f) disparage the Company or any of its agents, employees, or affiliated physicians in any fashion.

Participant

_____

_____ _____**, 20**

Committee

By:_____

_____ _____**, 20**

DaVita Inc.
Post-Retirement Deferred Compensation Arrangement
Declaration under Penalty of Perjury
for Hardship Withdrawal

I, _____, under penalty of perjury, hereby make the following declarations with respect to my request for a distribution in the amount of $_____ from the Post-Retirement Deferred Compensation Arrangement maintained by DaVita Inc. ("Company") on account of my Unforeseeable Emergency. I hereby make the following representations:

1. I understand that the amount that I can receive cannot exceed the *lesser* of the vested amount of my benefit or the amount reasonably needed to satisfy my Unforeseeable Emergency. However, this amount can include any amounts necessary to pay the taxes reasonably anticipated to result from the distribution.

2. I understand that I may *not* receive a payment to the extent that such hardship is or may be relieved (a) through reimbursement or compensation by insurance or otherwise, or (b) by liquidation of my assets, to the extent the liquidation of such assets would not itself cause severe financial hardship.

3. I understand that an "Unforeseeable Emergency" is a severe financial hardship to me resulting from (a) a sudden and unexpected illness or accident of me or of my dependent, (b) loss of my property due to casualty, or (c) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond my control. Examples of what are *not* considered to be unforeseeable emergencies include the need to send my child to college or the desire to purchase a home.

4. I understand that the amount of my hardship distribution is subject to tax withholdings.

I declare under penalty of perjury under the laws of the State of _____ that the above statements are true and correct and that this declaration was executed on the _____ day of _____, 200__, at _____, _____.

Signed: _____

Acknowledgement

State of _____

County of _____

On _____, 200__ before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same, and that by his/her signature on the instrument the person executed the instrument.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

Beneficiary Designation
under the DaVita Inc.
Post-Retirement Deferred Compensation Arrangement ("Plan")

Subject to the provisions of the Plan, I designate the individual(s) stated below to be my primary and secondary beneficiaries. The benefit shall be paid to my primary beneficiary if that person survives me, and the benefit shall be paid to my secondary beneficiary if the primary beneficiary does not survive me. If neither my primary nor my secondary beneficiary survive me, or I have failed to designate a beneficiary then my benefit will be paid to my estate. This designation supersedes any prior designations I may have made under the Plan.

I understand that a beneficiary designation will be effective only if it is received by the Committee before my death.

Primary Beneficiary

Name | Relationship to Participant

Street Address

City, State, and Zip Code

Phone Number | Social Security Number

Secondary Beneficiary

Name | Relationship to Participant

Street Address

City, State, and Zip Code

Phone Number | Social Security Number

Participant's Signature
(to be completed by all participants)

I hereby designate the individual(s) listed above as the beneficiary(ies) of my benefit under the Plan. This beneficiary designation form revokes any prior designations that I may have made.

I understand that if I am married and my spouse is not named as my primary beneficiary, this designation will not be effective unless my spouse signs the waiver set forth below, and my spouse's signature is witnessed by a Notary Public. I also understand that if I subsequently (re)marry another individual, my new spouse will automatically become my primary beneficiary, unless my new spouse executes the waiver set forth below. I further understand that this form will not be given effect unless it is received by the Plan before my death.

Participant's Signature **Date**

Spousal Waiver

As the spouse of the participant signing above, I hereby waive my right to receive the benefits otherwise payable to me under the Plan upon the death of my spouse, and consent to the payment of those amounts to the individual(s) listed above. Furthermore, I hereby consent to allowing my spouse to change that beneficiary designation at any time without my consent.

Spouse's Signature **Date**

Notary Public

State of _____

County of _____

On _____ before me, _____ (here insert name and title of the officer), personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit 10.31

Memorandum Relating to Bonus Structure for

Charles J. McAllister

1. Bonus:
   a. OIG sets drug acquisition costs that accurately reflect industry acquisition costs -$100,000 (30% displacement)
   b. CMS implements MMA 2003 payment changes in a way that has a revenue neutral effect on DaVita—$100,000 (zero displacement)
   c. The CMS EPO coverage rules currently contemplated by CMS, and which are expected to be released in 2004, do not negatively impact clinical practices for EPO, either because:
      I. CMS establishes an EPO NCD that is substantially consistent with current clinical protocols; or
      II. CMS maintains current policy (either by taking no action or by delaying implementation of an EPO NCD)
      - $200,000 (30% displacement).
   d. Set up quality, general meeting for DaVita CEO with _____ ($10,000, 50% displacement).
   e. Set up quality, general meeting for DaVita CEO with _____ ($20,000, 50% displacement).
2. Timing:
   a. The bonuses associated with a goal will be paid as soon as it is clear that the particular goal is met.
   b. Payment may be within calendar year 2004 or after.
3. Displacement example: A 30% displacement means that if a $100,000 touchdown bonus is paid, the normal bonus range is reduced by $30,000. This is to reflect that the area being rewarded was a part of the normal job, but it is receiving special emphasis.
4. The DaVita CEO has full authority to exercise reasonable discretion if the bonus has been earned. If something changes to make the task much easier or far less valuable the CEO has the right and responsibility to adjust or eliminate it. If the Executive disagrees he/she can appeal Chair of the Compensation Committee of the Board of Directors.

Exhibit 10.32

DaVita Inc.

Director Compensation Philosophy and Plan

Philosophy

1. To pay differentially higher compensation for higher levels of work, responsibility and performance.
2. Compensation amount and structure that will attract highly competent candidates for Board service.
3. Tie compensation to increases in long-term shareholder value (including by shifting some cash payments to stock).
4. Vesting continues as long as the director continues to serve on the Board, but does not require continued service as committee chair.

Options

Each non-management board member shall be granted options to purchase 8,000 shares of Company stock per year of service on the Board, granted on, and priced as of the close of market on, the date of the Company's annual stockholder meeting, vesting 50% per year beginning on the first anniversary of the grant date, expiring five years after date of grant.

Each new member of the Board after the date hereof shall be granted options to purchase 15,000 shares of Company stock upon appointment to the Board, priced at the closing price on the grant date, vesting 25% per year beginning on the first anniversary of the grant date, expiring five years after the grant date.

Retainer

$24,000 per year paid quarterly in arrears, half in cash and half in deferred stock units that must be held for one year.

Board Meetings

$4,000 per in person meeting

$2,000 per telephonic meeting longer than 1 1/2 hours

Committee Meetings (Chair and Members)

$2,000 per in person meeting ($2,500 for Chairs of Clinical Performance Committee and Public Policy Committee/$1,500 for members of Clinical Performance Committee and Public Policy Committee)

$2,000 per telephonic meeting longer than 1 hour ($2,500 for Chairs of Clinical Performance Committee and Public Policy Committee/$1,500 for members of Clinical Performance Committee and Public Policy Committee)

No committee meeting fees are earned for Compensation Committee or Nominating and Governance Committee meetings held on regular Board meeting dates.

Committee meeting fees are earned for Audit Committee, Compliance Committee, Clinical Performance Committee and Public Policy Committee meetings held on regular Board meeting dates.

Additional Retainer - Lead Independent Director and primary Committee Chairs (Audit, Compensation and Compliance)

$20,000 per year paid quarterly in arrears, half in cash and half in deferred stock units that must be held for one year, for the Chair of the Audit Committee and the Chair of the Compliance Committee.

$20,000 per year paid quarterly in arrears, half in cash and half in deferred stock units that must be held for one year, for the Chair of the Compensation Committee.

$20,000 per year paid quarterly in arrears, half in cash and half in deferred stock units that must be held for one year, for the Lead Independent Director. If the Lead Independent Director also serves as the Chair of a primary Committee, the Lead Independent Director will receive a total additional retainer of $20,000, unless the Committee determines otherwise.

Additional Options - Lead Independent Director and primary Committee Chairs (Audit, Compensation and Compliance)

Each shall be granted options to purchase 4,000 shares of Company stock per year of service in these roles, granted on, and priced as of the close of market on, the date of the Company's annual stockholder meeting, vesting 33 1/3% per year beginning on the first anniversary of the grant date, expiring five years after the grant date. Vesting continues so long as the Director continues to serve on the Board (that is, does not require continued service as Lead Independent Director or Committee Chair). If the Lead Independent Director also serves as the Chair of a primary Committee, the Lead Independent Director will receive a total additional option grant of 4,000 shares (not 8,000 shares), unless the Committee determines otherwise.

Additional Deferred Stock Units - Lead Independent Director and primary Committee Chairs (Audit, Compensation and Compliance)

Each shall be granted 1,500 deferred stock units on the date of the Company's annual stockholder meeting that must be held for one year. If the Lead Independent Director also serves as the Chair of a primary Committee, the Lead Independent Director will receive a total deferred stock units grant of 1,500 shares (not 3,000 shares), unless the Committee determines otherwise.

Exhibit 12.1

DAVITA INC.

RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. Earnings for this purpose is defined as pretax income from operations adjusted by adding back fixed charges expensed during the period and debt refinancing charges. Fixed charges include debt expense (interest expense and the amortization of deferred financing costs), the estimated interest component of rental expense on operating leases, and capitalized interest.

	Year ended December 31,				
	2004	2003	2002	2001	2000
	(dollars in thousands)				
Earnings adjusted for fixed charges:					
Income before income taxes, and cumulative effect of a change in accounting principle	$361,884	$288,266	$267,257	$242,567	$ 39,223
Add:					
Debt expense	52,412	66,828	71,636	72,438	116,637
Interest portion of rental expense	25,772	22,927	20,336	18,116	17,140
Debt refinancing charges		26,501	48,930	(1,629)	5,712
	78,184	116,256	140,902	88,925	139,489
	$440,068	$404,522	$408,159	$331,492	$178,712
Fixed charges:					
Debt expense	52,412	66,828	71,636	72,438	116,637
Interest portion of rental expense	25,772	22,927	20,336	18,116	17,140
Capitalized interest	1,078	1,523	1,888	751	1,125
	$ 79,262	$ 91,278	$ 93,860	$ 91,305	$134,902
Ratio of earnings to fixed charges	5.55	4.43	4.35	3.63	1.32

Exhibit 21.1

SUBSIDIARIES OF THE COMPANY

Name	Structure	Jurisdiction of Incorporation
Astro, Hobby, West Mt. Renal Care Limited Partnership	Limited Partnership	DE
Austin Dialysis Centers, L.P.	Limited Partnership	DE
Bay Area Dialysis Partnership	Partnership	FL
Beverly Hills Dialysis Partnership	Partnership	CA
Brighton Dialysis Center, LLC	Limited Liability Company	DE
Capital Dialysis Partnership	Partnership	CA
Carroll County Dialysis Facility, Inc.	Corporation	MD
Carroll County Dialysis Facility Limited Partnership	Limited Partnership	MD
Central Carolina Dialysis Centers, LLC	Limited Liability Company	DE
Chicago Heights Dialysis, LLC	Limited Liability Company	DE
Continental Dialysis Center, Inc.	Corporation	VA
Continental Dialysis Center of Springfield-Fairfax, Inc.	Corporation	VA
DaVita Nephrology Medical Associates of California, Inc.	Corporation	CA
DaVita Nephrology Medical Associates of Illinois, P.C.	Corporation	IL
DaVita Nephrology Medical Associates of Washington, P.C.	Corporation	WA
DaVita Nephrology Associates of Utah, L.L.C.	Limited Liability Company	UT
DaVita - Riverside, LLC	Limited Liability Company	DE
DaVita - West, LLC	Limited Liability Company	DE
DaVita Denham Springs Kidney Care, LLC	Limited Liability Company	DE
DaVita Tidewater, LLC	Limited Liability Company	DE
Dialysis of Des Moines, LLC	Limited Liability Company	DE
Dialysis of North Atlanta, LLC	Limited Liability Company	DE
Dialysis of Northern Illinois, LLC	Limited Liability Company	DE
Dialysis Specialists of Dallas, Inc.	Corporation	TX
Downriver Centers, Inc.	Corporation	DE
Downtown Houston Dialysis Center, L.P.	Limited Partnership	DE
Durango Dialysis Center, LLC	Limited Liability Company	DE
East Dearborn Dialysis, LLC	Limited Liability Company	DE
East End Dialysis Center, Inc.	Corporation	VA
East Ft. Lauderdale, LLC	Limited Liability Company	DE
East Houston Kidney Center, L.P.	Limited Partnership	DE
Eastmont Dialysis Partnership	Partnership	CA
Elberton Dialysis Facility, Inc.	Corporation	GA
Elk Grove Dialysis Center, LLC	Limited Liability Company	DE
Flamingo Park Kidney Center, Inc.	Corporation	FL
Fullerton Dialysis Center, LLC	Limited Liability Company	DE
Garey Dialysis Center Partnership	Partnership	CA
Greenwood Dialysis, LLC	Limited Liability Company	DE
Guam Renal Care Partnership	Partnership	GU
Houston Acute Dialysis, L.P.	Limited Partnership	DE
Houston Kidney Center/Total Renal Care Integrated Service Network Limited Partnership	Limited Partnership	DE
Irvine Dialysis Center, LLC	Limited Liability Company	DE
Kidney Care Services, LLC	Limited Liability Company	DE
Kidney Care Rx, Inc.	Corporation	DE
Kidney Centers of Michigan, L.L.C.	Limited Liability Company	DE
Knickerbocker RC, Inc.	Corporation	NY
Lawrenceburg Dialysis, LLC	Limited Liability Company	DE

Liberty RC, Inc.	Corporation	NY
Lincoln Park Dialysis Services, Inc.	Corporation	IL
Los Angeles Dialysis Center	Partnership	CA
Louisville Dialysis Centers, LLC	Limited Liability Company	DE
Marysville Dialysis Center, LLC	Limited Liability Company	DE
Mason-Dixon Dialysis Facilities, Inc.	Corporation	MD
Mid-City New Orleans Dialysis Partnership, LLC	Limited Liability Company	DE
Middlesex Dialysis Center, LLC	Limited Liability Company	DE
Moncrief Dialysis Center/Total Renal Care Limited Partnership	Limited Partnership	DE
Muskogee Dialysis, LLC	Limited Liability Company	DE
Nephrology Medical Associates of California, Inc.	Professional Corporation	CA
Nephrology Medical Associates of Georgia, LLC	Limited Liability Company	GA
North Atlanta Dialysis Center, LLC	Limited Liability Company	DE
Ontario Dialysis Center, LLC	Limited Liability Company	DE
Open Access Sonography, Inc.	Corporation	FL
Orange Dialysis, LLC	Limited Liability Company	CA
Pacific Dialysis Partnership	Partnership	GU
Pacific Coast Dialysis Center	Partnership	CA
PDI Holdings, Inc.	Corporation	DE
PDI Supply, Inc.	Corporation	DE
Peninsula Dialysis Center, Inc.	Corporation	VA
Physicians Choice Dialysis of Alabama, LLC	Limited Liability Company	DE
Physicians Choice Dialysis, LLC	Limited Liability Company	DE
Physicians Dialysis Acquisitions, Inc.	Corporation	DE
Physicians Dialysis of Lancaster, LLC	Limited Liability Company	PA
Physicians Dialysis of Newark, LLC	Limited Liability Company	NJ
Physicians Dialysis Ventures, Inc.	Corporation	DE
Physicians Dialysis, Inc.	Corporation	DE
Physicians Management, LLC	Limited Liability Company	DE
Renal Life Link, Inc.	Corporation	DE
Renal Treatment Centers - California, Inc.	Corporation	DE
Renal Treatment Centers - Hawaii, Inc.	Corporation	DE
Renal Treatment Centers - Illinois, Inc.	Corporation	DE
Renal Treatment Centers, Inc.	Corporation	DE
Renal Treatment Centers - Mid-Atlantic, Inc.	Corporation	DE
Renal Treatment Centers - Northeast, Inc.	Corporation	DE
Renal Treatment Centers - Southeast, LP	Limited Partnership	DE
Renal Treatment Centers - West, Inc.	Corporation	DE
Riverside County Home PD Program, LLC	Limited Liability Company	DE
RMS DM, LLC	Limited Liability Company	DE
RMS Lifeline, Inc.	Corporation	DE
Rocky Mountain Dialysis Services, LLC	Limited Liability Company	DE
RTC Holdings, Inc.	Corporation	DE
RTC-Texas Acquisition, Inc.	Corporation	TX
RTC TN, Inc.	Corporation	DE
San Gabriel Valley Partnership	Partnership	CA
Shining Star Dialysis, Inc.	Corporation	NJ
Sierra Rose Dialysis Center, LLC	Limited Liability Company	DE
Soledad Dialysis Center, LLC	Limited Liability Company	DE
Southcrest Dialysis, LLC	Limited Liability Company	DE
Southern Hills Dialysis Center, LLC	Limited Liability Company	DE
Southwest Atlanta Dialysis Centers, LLC	Limited Liability Company	DE
Southeast Florida Dialysis, LLC	Limited Liability Company	DE
Spokane Dialysis, LLC	Limited Liability Company	DE
Summit Dialysis Center, L.P.	Limited Partnership	DE
Sun City Dialysis Center, L.L.C.	Limited Liability Company	DE

Total Acute Kidney Care, Inc.	Corporation	FL
Total Nephrology Care Network Medical Associates, P.C.	Professional Corporation	IL
Total Renal Care/Eaton Canyon Dialysis Center Partnership	Partnership	CA
Total Renal Care/Hollywood Partnership	Partnership	CA
Total Renal Care, Inc.	Corporation	CA
Total Renal Care of Colorado, Inc.	Corporation	CO
Total Renal Care North Carolina, LLC	Limited Liability Company	DE
Total Renal Care of Utah, L.L.C.	Limited Liability Company	DE
Total Renal Care/Peralta Renal Center Partnership	Partnership	CA
Total Renal Care/Piedmont Dialysis Center Partnership	Partnership	CA
Total Renal Care Texas Limited Partnership	Limited Partnership	DE
Total Renal Laboratories, Inc.	Corporation	FL
Total Renal Research, Inc.	Corporation	DE
Total Renal Support Services of North Carolina, LLC	Limited Liability Company	DE
TRC-Dyker Heights, L.P.	Limited Partnership	NY
TRC El Paso Limited Partnership	Limited Partnership	DE
TRC - Four Corners Dialysis Clinics, L.L.C.	Limited Liability Company	NM
TRC - Georgetown Regional Dialysis LLC	Limited Liability Company	DC
TRC - Indiana LLC	Limited Liability Company	IN
TRC - Petersburg, LLC	Limited Liability Company	DE
TRC of New York, Inc.	Corporation	NY
TRC West, Inc.	Corporation	DE
Tri-City Dialysis Center, Inc.	Corporation	VA
Tulsa Dialysis, LLC	Limited Liability Company	DE
Tustin Dialysis Center, LLC	Limited Liability Company	DE
Weston Dialysis Center, LLC	Limited Liability Company	DE

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
DaVita Inc.:

We consent to the incorporation by reference in the registration statements on Forms S-8 (No. 33-84610, No. 33-83018, No. 33-99862, No. 33-99864, No. 333-1620, No. 333 -34693, No. 333-34695, No. 333-46887, No. 333-75361, No. 333-56149, No. 333-30734, No. 333-30736, No. 333-63158, No. 333-42653, No. 333-86550 and No. 333-86556) and Form S-3 (No. 333-69227) of DaVita Inc. of our reports dated February 25, 2005, with respect to the consolidated balance sheets of DaVita Inc. and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2004, and the related financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2004 and the effectiveness of internal control over financial reporting as of December 31, 2004, which reports appear in the December 31, 2004 annual report on Form 10-K of DaVita Inc.

/s/ KPMG LLP

Seattle, Washington
February 25, 2005

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Kent J. Thiry, certify that:

1. I have reviewed this annual report on Form 10-K of DaVita Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ KENT J. THIRY

Kent J. Thiry
Chief Executive Officer

Date: February 28, 2005

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Denise K. Fletcher, certify that:

1. I have reviewed this annual report on Form 10-K of DaVita Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ DENISE K. FLETCHER

Denise K. Fletcher
Chief Financial Officer

Date: February 28, 2005

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of DaVita Inc. (the "Company") on Form 10-K for the year ending December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Kent J. Thiry, Chief Executive Officer of the Company, certify, pursuant to 18.U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ KENT J. THIRY
Kent J. Thiry
Chief Executive Officer

February 28, 2005

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of DaVita Inc. (the "Company") on Form 10-K for the year ending December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Denise K. Fletcher, Chief Financial Officer of the Company, certify, pursuant to 18.U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DENISE K. FLETCHER
Denise K. Fletcher
Chief Financial Officer

February 28, 2005

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.